





## Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4

## Management

Sir—The standard of content and comment in Robert Heller's article (September 24) demonstrates clearly the standard of writing which won him the John Player Award for British Management Journalism.

I feel, however, that there is very little basis for his argument that the credibility of the transatlantic management gap has been diminished by devaluation of the dollar and the relatively slower growth rates experienced by larger U.S. companies in recent years.

First, the devaluation of the dollar was to a large extent the result of U.S. Government policy vis à vis financial and military commitments overseas, and cannot, therefore, be laid entirely at the door of American management.

Second, the law of diminishing returns operates equally for the application of management techniques as it does in other fields. Many European companies are benefiting from the use of the first time, of rather basic management techniques, and we would therefore expect results than their American counterparts, many of whom tend to be working closer to the margin with more advanced techniques which produce a somewhat smaller response.

In the light of these facts, it is still true to say that the transatlantic management gap is not merely an "old, entrenched belief," but an apparent fact.

J. L. Roe, Market Planning and Research Executive, Stag Furniture Holdings, Haydon Road, Nottingham.

Where he ruins it for me is in talking about the fictitious management revolution of the 60's—or for that matter any other time—in which presumably he likes to feel he played a part. If ever there was a non-event in history this is surely it. Nothing much has changed in British management, there hasn't even been the

smell of a revolution let alone the reality. You count a greater readiness of certain managers to expose themselves or be interviewed as such. That's the tragedy of our day. And why, in the light of our times, anybody should imagine that there has been a great and beneficial shift in management is utterly beyond my comprehension.

The very least you would expect from the proclaimed increase in the rate of productivity, the enlargement of our markets and the establishment of reasonable harmony both in our industry and the services. But have we got that? Not on your life. In fact if there has been a revolution it's gone the wrong way. We're nearer to sliding than to climbing, so don't let us praise management. Let us rather be with Mr. P. A. Cartwright who, in your correspondence column of the same date, sets out a case for more research into management and its present-day problems. Let's go for the revolution we haven't yet had—except in newspaper and magazine writing—God knows, it's needed.

In the meantime let's be grateful to Mr. Heller and his kind for the interest they take in our affairs. Let's acknowledge they often hit the nail right on the head. But always in acknowledging that we exist rather than endorse. They're not that good. F. Whitehouse, 135, Ecclesfield Road, Chapeltown, Sheffield.

**A fictitious revolution**

Sir—Robert Heller (Executive's World September 24) does succeed—but only just—in making his journalistic work on managers and management seem different in kind from that of sports commentators or even business diarists. More importantly he invests managers and management with the sort of halo that flatters, and even makes our comings and goings, our advances and withdrawals sound colourful and semi-romantic.

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**Widening of application**

Sir—I can well agree with Mr. Cartwright (September 24) that there are still fields for exploration in management subjects. I think however he is heading in the wrong direction when he speaks of new theories and the emergence of new thinking. The principles of effective management are well-established and not really in dispute. It is not surprising Mr. Cartwright finds in reviewing seven years of correspondence that there is repetition of what he terms are old attitudes rehearsed with monotonous regularity. I would humbly suggest that this is because not sufficient attention has been given to a far more important question. That question is how these widely accepted principles of sound and effective management can be applied more extensively in British

industrial and commercial undertakings. Research into this problem would be of outstanding and lasting benefit.

It seems the first step to which attention should be directed is the diagnosis of the current business situation in a given organisation. Unfortunately, at the moment this diagnosis of the basic strengths and weaknesses of a company usually only begins when the company has begun to operate at a loss or has suffered loss of liquidity. What we should be concerned with is the techniques of diagnosis should be applied before such a state of affairs has arisen.

However, having made that statement we now see with blinding clarity that such a situation is highly unlikely for where the chairman or chief executive who will consider that his organisation requires the diagnosis a sick patient would warrant when currently profits are being earned and the cash flow is positive? If we can solve this dilemma I am sure that a worthwhile research programme could be initiated whether by the BIM or any other organisation which has at heart concern for the country's economic health.

H. Smallwood, 40, Brookmans Avenue, Brookmans Park, Hatfield, Hertfordshire.

## EEC associates

day happenings during the working day. They must be worked at constantly. Moreover, management must pursue a vigorous and continuing programme of capital investment to provide the fertile soil in which rising standards may flourish.

All conditions in our factories are based on the assumption that every employee can be trusted. All conditions, therefore, reflect staff status. A level rate of pay throughout the year, holidays and sickness included. No clocking in or out. Can there be any logical argument why these conditions should apply to a typist and not to her father at the machine? We have never taken which enhances the dignity of the individual. In return we have achieved an atmosphere of co-operation and harmony.

We cannot be alone in our good experience, and are sure that other employers can join us in giving credit where credit is due.

Chaim Schreiber, Schreiber Wood Industries, Edinburgh Way, Harlow.

**Scorching the hedgerows**

Sir—I read with interest the letter by Mr. John F. Richards under the heading "Scorching the fields" (September 24).

Some of your readers may be aware of a few of the scorching which is taking place. In this part of Kent many hedgerows and grass verges bordering on roads have been subjected to a weed-killing formula which not only destroys the grass and wild plant life but also creates a serious risk of fire.

This wanton destruction is hardly conducive to the good work undertaken in 1970 during National Conservation Year.

M. C. C. Crookshank, Old Butchers, Groombridge, Kent.

**An unsheltered world**

Sir—Your correspondent, Mr. R. K. Allett (September 14), refers to a few of the world of banking. May I ask "Sheltered from what?—the rain? the sun?"

Bank men and women are certainly not sheltered from gunmen—or financial journalists. Nor are they sheltered from swindlers, amateur and professional alike. Good intentions are not enough. Good intentions are essential, not only at formal meetings, but as every

trustworthy customers.

film also starring Jane Wyman.

10.55 News on 2.

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**LONDON**

10.30 a.m. and 1.45 p.m. Schools.

2.30 p.m. Time to Remember.

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## Patents

general, and EEC associated states in particular.

Mr. Sheat further refers to the Community's recently-introduced generalised reference scheme, whereby (says Mr. Sheat) "all developing nations can send generous quotas of manufactured goods duty-free into the Community."

Britain too recently introduced such a scheme, which was in response to a GATT recommendation. However, both the Community and the British schemes specifically exclude Hong Kong exports from the scheme, and make other provisions which inhibit the full benefits of such a scheme from applying to the more industrialised of the developing nations, a particular example being the Indian textile industry.

In practice, the scheme as applied by Britain and the Community would appear to apply only to those products not produced in Britain or the Community, that is, the scheme benefits Britain and the Community as much as it does the supposed beneficiaries, as tariffs are paid by importers and not exporters.

Blaine Stothard, 29, Steele's Road, N.W.3.

**Defending the West**

Sir—It is surprising to read in the Financial Times a whole column under Lombard (September 17) devoted to the current problems of the U.S. dollar, which takes no account of the huge U.S. annual expenditure in defence of the Western world, nor of the impact on the financial position of the protected countries if they were required to provide for their own defence, jointly or otherwise.

R. J. Burton, Priorley, Weston Patrick, Basingstoke.

**Appeal Court and patents**

Sir—The Court of Appeal, in its decision in General Tire and Rubber Company v Firestone Tyre and Rubber Company (1971) Fleet Street Patent Law Report Issue No. 9) has made it almost impossible for the average technician, technologist or scientist to exercise his skill without a very substantial risk of infringing a valid patent.

In this decision the Court of Appeal has said that a patent is invalid if it is "very plain" to the addressee of the patent, Technicians, and technologists are, of course, employed to solve

problems. The word "problem" indicates that the solution was not "very plain." Although the solution may not be "very plain" it may well be within the competence of the ordinary technician.

This decision of the Court of Appeal conflicts with the theory of the patent system as explained in the report of the Departmental Committee (Banks Report). The report said: "The first paragraph of the theory of the patent system is well defined by Mr. T. A. Blaine White, QC, in his book *Patents for Inventions* as follows (only part reproduced):

"and the temporary monopoly is not objectionable for if it had not been for the inventor who devised and disclosed the improvement nobody would have been able to use it at that or any other time, since nobody would have known about it." (My italics.)

There is, therefore, a major conflict between the theory of the patent system and the decision of the Court of Appeal. Surely the time has come for the appointment of a Royal Commission to investigate whether it is in the public interest for monopolies to be granted for ideas which meet no higher test than that they are not "very plain" to a technician.

C. J. Thomas, Perry Meadows, Little Baddow, Essex.

**Aiding failing companies**

Sir—It appears that a case can be made for setting up a "Ministry of Social Security" for failing companies. The function of the Ministry of Social Security is to give assistance to people who are out of work or whose income is insufficient to support a minimum standard of living. This is done mainly on humanitarian grounds, but also because it is realised that human beings are the basic resource of the country and it is hoped that they can ultimately be re-employed more viably. The Labour Exchanges and Government Training Centres are organisations designed to further this aim.

When a company has to go into liquidation, or close some of its facilities, the philosophy applied is completely the opposite. Its resources are dispersed as soon and as profitably as possible, in the short-term interests of the shareholders. No account is taken of the cost to the taxpayer of these purchases, or the cost of the indirect effects on the company's industrial environment.

Alan P. Royle, Press and Information Office, Inland Revenue, Somerset House, W.C.2.

**Sale and leaseback**

Sir—In Mr. Chown's article (September 8) it was stated that the new legislation would apply to leases which less than 50 years to run where the sub-lease was for more than 25 years. Presumably, reference to 25 years was a typo and I would like to point out that it is not true that the legislation would apply to any leases with more than 25 years to run.

Alan P. Royle, Press and Information Office, Inland Revenue, Somerset House, W.C.2.

## Associated states of EEC

Sir—In challenging Gordon Tether's comments in the U.S. Import surcharge, Mr. Sheat (September 17) himself makes a misleading assumption. In referring to the associated state status of developing nations, Mr. Sheat asserts that this status will continue the present Commonwealth preferences enjoyed by developing Commonwealth nations. In fact this would not be the case if Britain joins the Community. The present system of Commonwealth preferences means just what it says: preference is given in Britain's tariff structure to the products of developing Commonwealth nations—that is, a lower tariff is imposed on these products than on the same products imported from non-Commonwealth nations. By contrast, the provisions attached to association with the EEC provide for reciprocal arrangements between the Community and the associated states.

At the same time as it provides a quota at a lower tariff than that imposed on the same products from non-Commonwealth nations, the EEC insists that, in exchange, the associated state must import products from the Community in preference to the same products from other industrial nations. This has the effect, as was acknowledged in the report of the Pearson Commission, of forcing the associated states to pay a price above the world market price for their imports from the Community in many cases.

Tied aid is restricting to the developing nations; how much more so is tied trade. Similarly, by the provisions of the current Yaounde convention, associated states of the EEC must give preference to Community investors, while in return associated states are granted preferential treatment if they wish to invest in the Community, rather than to the address of the patent. Technicians, and technologists are, of course, employed to solve

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**Racing**

**28,000 gns. for filly**

by DARE WIGAN

THE OCTOBER yearling sales at Newmarket began on a quiet note yesterday and no really high price was achieved in the morning session.

However, the first lot offered in the afternoon, a filly by Tudor

Melody, out of the Vilmorin mare Pelting, dam of five winners, including Double Splash, sent up by my wife and I from our small stud in Dorset, engendered a fierce competition for the filly, which was between the British Bloodstock Agency, the Curragh Bloodstock Agency (both of whom were bidding for the filly) and Mrs. "Mimi" Van Cutsem, operating on her own.

In the event, Mrs. Van Cutsem outbid the Curragh agency at 28,000 gns. and the filly will, needless to say, go into training with Bernard Van Cutsem at Newmarket.

Later in the afternoon, Van Cutsem bought two colts in quick succession, a chestnut son of *Frederick's* out of *Vilmorin* mare *Veelie*; and a colt by *Compensation*, out of *Double Up*, winner of five races. The latter of these purchases was for Lord Inchape, a newcomer to racing.

The aggregate at the end of the day was 167,250 gns., as compared with 158,000 gns. last year.

At Nottingham this afternoon, Bruce Hobbs' Quantos, which was placed at the Doncaster Leger meeting, but which has been a comfortable winner in Windsor in August, looks a reasonable bet in the Windsor Nursery Handicap (4.0). *Es* will, successful at Yarmouth fortnight ago, can win again the Bentine Plate (2.0).

*Red Reef* is preferred in the Handicap (3.0). And *Royal W* will go well in the Michael Handicap (3.0).

However, the safest bet is *Es*, a colt by *Double Decker* who, as a Piggott rides in the Shire Selling Stakes (2.0). *Roe* and *Nizam* are suggested for two divisions of the Carl Maiden Plate (4.0) and (5.0).

**SELECTIONS**

2.00—Bristol Milk

2.20—Double Decker

3.00—Red Reef

3.20—Royal W

4.00—Quantos

5.00—Nizam

## TV/Radio

\* Indicates programme in black and white.

**BBC 1**

\*9.25 a.m. For Schools. Colleges.

12.55 p.m. Maes a Mor. 1.30

Cambridge Green. 1.45 News.

\*2.00 For Schools. Colleges. 4.15

Play School. 4.40 Jackanory. 4.55

Animal Magic. 5.20 Harlem Globe-

trotters. 5.44 The Magic Round-

about News. 5.50 Nationwide and Your

Region To-night. 6.45 Quiz Ball.

7.05 2 Cars. 7.30 Film For To-night: "The

Lively Set" starring James

Darren and Pamela Tiffin. 9.00

Nine O'Clock News.

**F.T. CROSSWORD PUZZLE NO. 1,678**

ACROSS

1 U-Boat's lubrication below

ground (7)

5 No crut on the food for the

horse (7)

7 Doctor leaves the dose of

medicine in anything (5)

10 Remove to another place

where one might need to

interpret (9)

13 Get in the railway carriage as

the king leaves to be hospita-

ble (9)

14 No tag to be arranged from the

Far East (5)

15 Applause when the cleat

breaks up (5)

17 Good parts for the creature

(9)

18 "It must be owned, that—

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film also starring Jane Wyman.

10.55 News on 2.

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Of Wyoming" starring Robert Taylor and Joan

Caulfield.

8.00 Archambault Theatre.

10.00 News at Ten.

10.30 The Mirror of Mairiel.

11.55 Play Better Golf.

11.55 Why Do They Do It?

All ITV Regions as London

except at the following times:

**ANGLIA**

4.30 p.m. News. 4.45 Anglia

Newsroom. 4.50 Anglia

News. 5.00 Anglia

News. 5.10 Anglia

News. 5.20 Anglia

News. 5.30 Anglia

News. 5.40 Anglia

News. 5.50 Anglia

News. 6.00 Anglia

News. 6.10 Anglia

## To-day

RETAIL CREDIT FEDERATION, three-day annual conference opens at the Grand Hotel, London, at 3 p.m.

**COMPANY MEETINGS**

BORRILL, T. A., M. J. Lane, E.C.

11.30 (Chairman, Mr. J. J. Roy)

DOUGLAS (ROBERTS), 42 (Chairman,

TORRE, Birmingham, 12 (Chairman,

Mr. R. M. Douglas)

FINANCE AND INDUSTRIAL TRUST,

Birmingham, 12 (Chairman,

Mr. P. G. Wrenford)

JARVIS, J., 10, Vauxhall Bridge Road,















## Export News

## Iran first for the Clansman

TWO British companies have won orders in the Persian Gulf worth about £1.7m.

A £500,000 order for Iran has been won by the British Communications Corporation, a member of the Rael Electronics Group which is holding a private exhibition and symposium in London this week.

The contract has been placed by the British Aircraft Corporation as part of an integrated air defence system. It will be used in mobile command posts supporting the Rapier missile installations designed as defence against low-flying aircraft.

Deliveries of the Clansman equipment will start in May or June, 1972—before the British Army gets its own Clansman system.

The company believes that the equipment has a market of up to £25m. over five years. Tarmac Construction is to undertake civil engineering work worth £1.2m. at Makulab Naval Base, Muscat, for the Sultanate of Oman Department of Defence.

## MANAGEMENT TRAINING

## Chinese courses offered to U.K. businessmen

BY CHARLES SMITH

A 40-week course in basic Chinese for businessmen is to be organised next winter and spring by the Sino-British Trade Council in conjunction with London University's School of Oriental and African Studies.

The course will be designed to help the 100 or so businessmen who now visit China twice every year for the Canton trade fair as well as those likely to visit the British trade fair in Peking tentatively planned for early 1973.

The SBTC, which has been negotiating with the Chinese authorities on the timing and other details of the Fair, states that over 400 British companies have so far expressed an interest in it.

## Real-life

The SBTC's China course will be unique in combining a high academic standard with "business situations" compiled by regular visitors to China. The "business situations" will introduce students to the actual circumstances of living and doing business in big Chinese cities like Peking and Canton. The language content of the course will be supervised by the Department

of Chinese Studies of the School of Oriental and African Studies. The SBTC plans to charge about £150 for the course which will be run on a sandwich basis with students putting in three hours a week for formal tuition and one and a-half hours for conversation. Times of courses can be varied from week to week. The course is expected to start in late November or early December.

## Birmingham seeks links with Czechs

THE Birmingham Chamber of Commerce and Industry is to stage a Czech Engineering Day on November 17, at which specialists will present lectures to a technical audience.

This follows talks between the chamber and the Czechoslovakia Chamber of Commerce during the recent Brno International Engineering Fair. It is hoped to hold technical symposia alternately in Prague and Birmingham.

## Identifying the big spenders

By David Curry

A DETAILED market analysis of the U.S. has been prepared by Technical Help to Exporters, the Government-sponsored service operated by the British Standards Institution.

The analysis has been prepared to help businessmen identify the most fertile areas for marketing operations. It represents something of a departure for THE which has previously concentrated on compiling information about regulations, standards specifications and technical obstacles to British exports.

The new publication covers consumer and industrial markets, growth rates both in broad survey and detailed statistical analysis. Purchasing power in consumer markets is indicated by statistics on income, share-owners and telephones in use, for example.

The section on industrial markets details expenditure on new plant and equipment, manufacturing establishments and other projects.

While making no claim to gauge market potential for particular products, it focuses attention on the major concentrations of consumer and industrial purchasing power in the market.

The USA Market Analysis: Technical Help to Exporters, BSI, Marylands Avenue, Hemel Hempstead, Herts: EN1 1PT is the members.

## Contracts in Canada plan launched

BRITISH companies needing the services of a local manufacturer to complete contracts for supply and installation of machinery and equipment in Canada and the U.S. are being catered for in a scheme introduced by the Ontario Department of Trade and Development aimed at linking companies in the two countries.

Companies must provide information on their requirements for local fabrication facilities, which is dealt with by specialised engineering staff in the Department's Industrial Development Branch, Toronto. This is circulated on a confidential basis among appropriate Ontario companies under a code name, and details are then passed to the British engineering supplier for action.

The Department thinks the scheme will assist British companies to complete contracts faster and more efficiently, besides providing a useful service for arranging subcontracting facilities in advance of pending contracts. It will also help to create worthwhile business for Ontario companies by utilising under capacity in sections of the province's industry.

Full details are available from the Department's London office at Ontario House, Charles II Street, London, S.W.1.

## Construction industry in Europe

A SERIES of five one-day conferences on marketing to the construction industry in Western Europe will start in London on November 11 when opportunities in France will be in focus.

The series, Construction Industry-Opportunity Europe, is being sponsored by the Institute of Marketing (Construction Industry Group) and the Building Materials Export Group of the Building Materials and Producers Association. In co-operation with Building Management and Marketing Consultancy.

Other dates will be: Sweden—December 8; Benelux—February 10; Italy—April 13; and West Germany—May 10.

Each conference will examine the structure of the market with analysis of opportunities by industry sector; the organisation of the building process; quality standards and building regulations at all levels of authority; and a marketing case study presentation from a company which has successfully penetrated the national market concerned.

Speakers will be drawn from both the British and the European industry. The cost of each individual conference is £35. The full series of five costs £140.

## IN BRIEF

The Hymatic Control Valve Division of the Hymatic Engineering Company has been awarded a contract worth £40,000 to supply all the Globe Body Automatic Process Control Valves for the new Lube Oil Unit being built for the South African Oil Refinery Pty. at Durban. The unit is being constructed by The Lummus Company to a Mobil Research and Development Corporation design and requirement. The valves are manufactured under licence from Kleyley and Mueller, of America.

A contract for equipment for New Zealand Electricity Department's largest conventional power station has been awarded to Hopkissons, of Huddersfield, Yorkshire. The equipment, comprising boiler mountings and valves valued in total at £340,000, is to be installed with the five 120 megawatt turbo-alternator sets in New Plymouth power station on the West Coast of North Island.

Cammon (Hong Kong) has submitted the successful tender for the construction of the superstructure of a 52-storey office building for the Hong Kong Land Investment and Agency Company. The company is completing a £1.3m contract for the piled foundations, basements and ground floor construction.



Charlie Allan limbers up in the United Biscuits factory in Scotland. How many calories has a cookie?

## SELLING TO THE U.S.

## Muscle, Minis and music for 'Frisco "crunch-in"

BY DAVID CURRY

THE brains behind United Biscuits have decided that brawn current Hammer Film Horror is what is required to sell their product to the Americans. The Allan, who apart from being the brawn will be supplied by a 15-strong team of Highland Cup, Scotland's highest award for athletes who yesterday flew to all-round athletics, is a lecturer California to take part in the British Week which starts on October 2.

They will be taking part in the Highland Games, organised by United Biscuits, which makes McVitie's biscuits. The games will stretch over two days in the Golden Gate Park Polo Arena. Apart from Scottish brawn, the band of the Royal Artillery Regiment, the Pipes and Drums of the 1st Battalion the Royal Scots, three Californian Pipe and Drum bands and the Royal Scottish Country Dance Society of San Francisco will all be doing their bit to boost British biscuits.

Among the Scottish heavy artillery will be Bill Anderson, British and Scottish Heavyweight 10.5 per cent. of UB output. Throwing Events Champion; Ian Campbell, the world professional UB wrestling champion; Dave (digestives), Rich-tea, Scottish Prowse, a former professional shortbread, Fruit shortcake, weight-lifting champion who Arrowroot and Ginger snaps.

In the first half of this year the U.S. took 2,500 tons of British biscuits, worth £333,000. The UB share of this was about £125,000, and the U.S. takes about 10.5 per cent. of UB output.

Most of the success has come in the U.S. market, which country accounts for about 70 per cent. of all export sales. It has been achieved largely with two products.

Less than 20 years ago Thwaites and Reed was a traditional clockmaker whose products rarely left Britain. To-day, under the same family management, it sells 70 per cent. of its goods overseas. The American market has been penetrated. Now the company has its eyes on Europe and is ready to challenge the W. German dominance in the market. Norri Willatt reports from Switzerland on what makes Thwaites and Reed tick.

## Mr. Buggins' pointer to the future

"HAVING practically cornered duct lines, reproduction brack the clock market, the West clocks in wooden cases 2 Germans have concentrated their modern-style clocks in cases of wood on setting, they've made a niche for themselves in the neglected research. We've been very busy on research, and now we're ready to challenge them, even in their special preserve of EEC."

Bold words from Mr. Geoffrey Buggins, managing director of Thwaites and Reed, oldest clockmaker in Great Britain, spoken at a European sales organisation for the first time in Geneva, Switzerland. Given Germany's acknowledged predominance in the market, the boast may take some sustaining.

None the less, Mr. Buggins' self-assurance has a solid basis. He has one or two things up his sleeve. One is an entirely new clock movement designed for the company which will end its dependence upon German movements. Thwaites and Reed have had to import. Another is that British entry into the EEC will eventually end the average 14 per cent. tariff at present. The force against clocks imported into the Community.

Quality gap

Above all, Mr. Buggins counts on the expertise acquired through a highly successful, not to say spectacular, export drive to the U.S. to stage a repeat performance on the Continent.

"Europe is practically virgin territory for our type of product, fine precision timekeepers and reproduction clocks," he says. "The Europeans can get plenty of thirty bob alarm clocks from West Germany or Japan. But in this era of affluence, they want a clock on the mantel they can show off to their friends, inside as well as the outside. That's the gap we aim to fill."

If the experience with the U.S. is anything to go by, his expectations are not exaggerated. In 1956 exports accounted for only about 5 per cent. of total turnover. The young Mr. Buggins taking over from his mother as managing director has pushed export business to about 70 per cent. of the total.

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The company's other principal product line is so-called "public building" examples of which are to be found at Westminster Abbey, Marylebone, St. Clement's, Fortnum and Mason, in the U.S. market, which country accounts for about 70 per cent. of all export sales. It has been achieved largely with two products.

## THE CAPITAL &amp; NATIONAL TRUST LIMITED

The following information was given in the Statement of the Chairman, Sir Hugh Mackay-Tallack, and in the accounts for the year to 31st July, 1971.

1. Revenue for the year is not comparable with that for 1970, due to the acquisition of the undertaking of London and Paris Investments Limited in 1970.
2. During the year a capitalisation issue was made to the Ordinary and "B" Ordinary Shareholders in the ratio of one share for each share held.
3. Distributable Revenue for the year £482,731.
4. Earnings on Ordinary Shares 14.2 per cent.
5. Dividend on Ordinary Shares 12½ per cent. (1970—11½ per cent.).
6. Capitalisation issue on "B" Ordinary Shares (in lieu of dividend) 3.102635 "B" Ordinary Shares for every 100 shares held.
7. Net Asset Value £1.13 per Ordinary and "B" Ordinary Share (including the full investment dollar premium). (1970—£0.86.)
8. Current year: "We hope that for the current year we shall once again show satisfactory results and increased revenue."

Copies of the accounts are available from the Registrars, 95 Southwark Street, London, S.E.1.

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## PROFITS INCREASE FORECAST

Extracts from the Annual Statement to shareholders by L. Ryan, Chairman and Managing Director.

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We have made an important breakthrough in that we have started to sell some of the Group's substantial stock of partly processed fine coal.

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## European News

## IN BRIEF

● **SOVIET** leader Leonid Brezhnev arrived back in Moscow from Sofia after a tour of East European capitals. He visited Yugoslavia for talks with President Tito and subsequently had discussions in Budapest with Hungarian leader Janos Kadar and in Sofia with Bulgaria's Todor Zhivkov.

● **BERNE**—The chances of Switzerland accepting an offer by Hawker Siddeley for 60 Harriers at a price of Sw.Frs.1,300m. are "virtually nil," according to a statement by Army Armaments Chief Helmut P. Schultze, unless the Swiss Federal Council revised its decision of this June in favour of the Corsair or Mirage-Milan aircraft types.

● **BASEL**—Construction of the planned new headquarters for the Bank for International Settlements has been approved by the electorate. Canton Urban Basel in a local referendum. The Bank is currently based in a former hotel beside the railway station and intends to move to a distinctive multi-storey block on a nearby site.

● **MILAN**—20,000 rubber workers in the Lombard region, three-quarters of them employees of Pirelli, are to strike for four hours on Thursday to protest against the decision of Pirelli to ask resignations on higher severance pay by 15,000 of its workers. Pirelli said that this offer was aimed at getting resignations since some lines were to be shut down.

● **Norway's** Ministry of Industry warned against excessive optimism regarding oil and gas deposits in Norwegian waters. In a communiqué, the Ministry pointed out that so far 60 wells had been sunk on Norway's continental shelf, but of the eight strikes of oil or gas made, only Ekofisk had so far been declared commercially exploitable.

● **PARIS**—Electricité de France, French state electricity undertaking, is understood to have delayed an immediate decision on the contractor for the second enriched uranium power station to be built in France.

● **GENEVA**—Total imports of the EFTA countries from the U.S. fell by 4 per cent. in July compared with the previous year. Exports increased by 21.3 per cent. Exports totalled \$421.6m. (U.K. \$248m.) and imports \$347.2m. (U.K. \$190m.).

● **PARIS**—Soviet Union's new Ambassador to France Pyotr Abramov arrived to launch immediate preparations for the forthcoming official visit of party leader Leonid Brezhnev.

## Brandt asks unions to moderate claims

BY CHRISTOPHER LORENZ

FRANKFURT, Sept. 27.

CHANCELLOR Willy Brandt today made an indirect appeal to West Germany's strongest trade union, IG Metall, to exercise moderation in the imminent round of wage negotiations. Speaking at the opening of the union's tenth national congress, Herr Brandt said wages should keep in line with changed economic circumstances.

The Chancellor categorically ruled out a wage and price freeze. Following his recent call for an end to price and wage "drift," IG Metall's president Klausen has been suspected of favouring a freeze.

In an attempt to avoid putting too much pressure on union leaders, Economics and Finance Minister Schiller has been refusing to name new guidelines for wage increases. However, one of his officials has stated that 7.5 per cent. should be the maximum. IG Metall's claim varies from region to region but is between 10 and 11 per cent. The final result of the metal workers negotiations, which involve a total of 4.3m. employees, is all-important for the general development of German wage levels.

So far this year the rate of

## Danes want fishing pact before EEC accession

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, Sept. 27.

DENMARK today urged the Six to find a speedy solution to the problems created for candidate countries by the Community's common fisheries policy. Time, the Danish negotiating team said, was running short.

Mr. Jens Christensen, chief Danish negotiator at deputy level, made it clear that his country wants a detailed settlement of the fisheries issue before signing the Treaty of accession to the Community. By implication, he clearly rejected a British proposal to preserve status quo in the fishing sector until after the Community's enlargement.

Stressing the importance of Denmark's fish exports to the Community, Mr. Christensen said that there would be an "unacceptable disturbance of the balance of advantages resulting from the negotiations if an intermediate period after January 1, 1973, Denmark should be dealt with as a third country."

The Danish delegation asked the Six to bear three problems in mind in preserving free trade with those EFTA countries that have not asked for full Community membership: differences between EFTA and Community

rules of origin; differences in the two trade blocs' definitions of industrial products; and problems posed by bilateral agreements between EFTA countries for free trade in agriculture.

Mr. Christensen accepted the Six's proposals for consultations with the candidates in the period between the end of the negotiations and full membership, which have already been accepted by the U.K. But he urged the Six to start implementing the procedures by mid-November rather than waiting for all the final details of the negotiations to be hammered out at technical level.

In another session this afternoon, Ireland also accepted the proposals for consultation in the interim period, and cleared up a number of other mainly technical negotiating details. Ireland will be allowed to continue to impose quantitative restrictions on a range of products under the terms of the Anglo-Irish Free Trade Agreement until June 30, 1975.

● **COPENHAGEN**—Prime Minister Hilmar Baunsgaard resigned but immediately agreed to carry on at the head of a caretaker Cabinet until a solution has been found to the present Government crisis.

## Economic crisis could hit CAP

By Reginald Dale,

Common Market Correspondent

BRUSSELS, Sept. 27.

THE CONFUSED world economic and monetary situation could have a serious effect on the Six's Common Agricultural Policy—but it is too early as yet to assess the detailed repercussions on farm trade in the Community.

This is the main conclusion of a report presented here tonight to the Six's Council of Ministers by the Brussels Committee. The Commission speaks of a growing deterioration of the psychological climate in Community farming circles and expresses grave anxiety about the present situation.

The Ministers of Agriculture in a preliminary discussion based on the Commission document, appeared to agree with the report's broad outlines to-night. Herr Josef Ertl, of West Germany, was particularly concerned about the possible effects on his farmers' incomes of a large revaluation of the DM.

The Ministers began a debate, which they will continue tomorrow, on the whole question of how the farm policy can be restored to normal functioning. But there is little concrete that they can do until the international monetary situation begins to clarify.

## Geneva treaty to be tabled

By Our Own Correspondent

GENEVA, Sept. 27.

A FINAL revised version of the draft treaty to prohibit biological means of warfare will be tabled in the disarmament conference here tomorrow by the Soviet and American co-chairmen. It is confidently expected, following intensive consultations, that this draft will be approved by a broad majority of the delegations here and then go on to the political committee of the UN General Assembly. It should be open for signatures early next year.

The Geneva disarmament conference, which has to report to the General Assembly, is due to terminate its session at the end of this week.

## URANIUM ENRICHMENT

## Appeal of the centrifuge

BY DAVID FISHLOCK, SCIENCE EDITOR

IF ONE THING emerged from the "Atoms for Peace" conference in Geneva this month it is that the gas centrifuge is a highly promising way of enriching uranium. No one now recognises this fact more clearly than the French, to whom even the coypresentation by Holland, Britain and West Germany, the parties to Europe's tripartite gas centrifuge treaty, appears to have come as a rude awakening.

For those who have reported this new technique for enriching uranium—a third of the cost of nuclear fuel—in the past three years, much has been taken on faith. An Official Secrets Act in this country, for instance, kept us from a glimpse of the new machine. The French, moreover, had their own reasons for pretending it did not exist, or that claims made for it were beyond reason.

## Pipedream

Seven big photographs displayed in Geneva dispelled much of the doubt. They revealed for the first time that the ultra-centrifuge not merely exists but exists in great numbers. One photograph, unidentified, but taken, in fact, at Capenhurst, shows no less than 100 machines, tightly packed like living cells. It demonstrated a degree of confidence in a very highly rated machine that even believers might find hard to credit, for like living cells such a system must be safeguarded against the consequences of a failure in one infecting all others.

The French, gratifyingly, were showing intense technical interest. "They keep coming back," remarked one physicist at the tripartite display. And no wonder, for until now the French have been able to argue that they could offer Europe a modern and proven enrichment technology based on diffusion, against the "pipe dream" of the ultra-centrifuge. No one now should be surprised if the French sue for a stake in the gas centrifuge project, instead of pursuing their plans to expand Pierrelatte.

To recapitulate briefly: the French have been claiming a highly developed route to uranium enrichment, based on

diffusion, the process established on a massive scale in the U.S. during the war-time Manhattan Project, from which they were excluded. Pierrelatte came on stream only in 1967 and so could take advantage of the very latest ideas on membranes, axial flow compressors and other advances crucial to economy.

But the French spent prodigiously to achieve their success. They are believed to have invested £500m. already in Pierrelatte, about five times as much as the British spent building a plant of the same output at Capenhurst. That, together with the blow to French pride occasioned by the switch to U.S. nuclear reactor technology, gave them a strong incentive to maximise any commercial return from their investment in the diffusion process.

The missing factor was electricity, for diffusion is a power-hungry process, and in Europe at least electricity is expensive. The prime attraction of the gas centrifuge is that, at worst, it is said to consume only a sixth as much power as diffusion. Another, scarcely less alluring prospect for a world in which money is dear, is that growth of gas centrifuge enrichment capacity can be matched much more closely to rising demand than diffusion.

Diffusion, in contrast, must be installed on a massive scale from the outset if it is to be economic. Plant stages as big as an office block are required. This calls for the investment of several hundred million pounds before any enrichment begins to trickle into the steel "doughnuts" in which it is transported.

The French claim seven years' experience in operating the diffusion process, for the last four of which they have obtained high (bomb-level) enrichment, required both for warheads and for submarine fuel. Since 1966 they have been working on low-enrichment, high-output concepts for commercial plant. Their object, latterly, has been to develop the technology for a big gas centrifuge plant with an output of 6m. to 10m. "units of separative work" a year.

Few can now doubt that the French have advanced the technology of diffusion. The question they stubbornly refuse to answer,

however, is where in Europe they might obtain a source of electric power for this process that might let it compete with the prices offered by the U.S. (\$32 per unit of separative work and by Russia (\$27 "and a bit").

Close links between the French Commissariat de l'Energie Atomique (CEA) and Electricité de France have led to speculation about a deal involving seasonally "off peak" power, or perhaps the purchase of a nuclear station at specially favourable rates to drive the plant. They may even have plans to use their first commercial reactor, construction of which will begin, they say, in 1974, with electricity costs estimated around half those of present-day nuclear stations. This suggestion evoked peals of delight but no denial from M. Georges Vendres, head of reactor development in France.

Meanwhile, the new tripartite companies began to reveal their own investment plans. To meet the estimated demand for enrichment these companies would be installing 5,000-15,000 machines a week early in the early 1980s. Dr. Jack Parry, technical director of the newly formed Urenco, one of the tripartite enrichment companies, told the conference. He forecast a European market for centrifuge enrichment of 1.5m. units of separative work a year. The production rate of machines—250,000-750,000 a year—was "certainly quite practical, especially when judged against the fact that production facilities in all three countries will be available," he said.

Privately, he and his colleagues were expressing delight with the outcome of their first glimpses of each other's ideas. Executives from all three countries said the same sort of thing, that ideas neatly complemented each other, especially in ideas for mass-producing the centrifuge's few but highly sophisticated components. A new centrifuge, born from this pool of ideas, now seems certain.

There were even suggestions that the partners should abandon their present plans to spend around £30m. on three prototype enrichment plants based on the three national machines. In order

to accelerate the advanced design. One argument in favour is that the new centrifuge companies, CEA and Urenco, appear to be having problems recruiting the highly talented staff the project demands. Nevertheless, Urenco hopes to order its first "tranche" of enrichment capacity in 1972, to come on-stream in 1975. Prof. Martin Bogaart, who leads the Dutch centrifuge effort, said a realistic target for a European centrifuge plant will probably be "of the order of \$34 per unit."

Bogaart estimates that, on the basis of present technology and using manufacturing capacity available in the three countries, the specific investment for a 300-tonne centrifuge plant in operation from about 1976 would be of the order of \$150-200 per kilogram of "separative work"; that is, £45m.-£60m. But such a plant would be smaller than the minimum economic size. Later in the Seventies, however, he expects the specific investment to fall to \$120 per kilogram, with the introduction of mass-production methods for centrifuges and advanced ideas for plant design.

## Suicidal

Nothing the French could offer could match the interest the centrifuge aroused. But already there were signs of some softening of the French line to pursue diffusion regardless. The death earlier this year of M. Jacques Mabile in an air crash has brought a new man to the top, as the CEA's director of industrial nuclear applications. Even before M. Mabile died M. Michel Pequeur was exploring—with scant encouragement from his boss—the possibilities of a rapprochement with the centrifuge club.

In Geneva, M. Pequeur admitted the price at which he expected to obtain electricity for diffusion lay around 1-1.5 U.S. cent per kilowatt-hour—a very wide spectrum, one end of which might make commercial sense while the other would be suicidal. He saw no reason yet for the French to drop diffusion. But he made the bold statement that if it did not turn out to be competitive,

he would be prepared to turn to the centrifuge.

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## Tidal Marine International: Half-year profits of \$1,500,000 surpass 1970 full year

- \*Fleet expanded to 41 vessels, aggregating 700,000 dwt.
- \*Average charter period of entire fleet 29 months.
- \*Tidal now entering second phase of its long-term growth program.

## Half-Year Results

Summary of the audited results for six months ended June 30th, 1971 and the full year 1970.

	Thousands of Dollars	First Half Full Year
	1971	1970
GROSS REVENUES	\$9,335	\$8,109
EXPENSES		
Vessels and voyage	4,686	4,373
Depreciation	1,335	745
General and administration	579	493
Interest	\$1,234	\$1,029
NET INCOME	\$1,501	\$1,469

\*Book value of Tidal fleet more than \$50,000,000  
\*Net worth of Tidal more than \$15,000,000

\*Six months' earnings per share, fully diluted - \$0.71 based on average shares and warrants outstanding during the first half of 1971

Tidal Marine International Corporation is a U.S. public company which owns and operates tankers and dry cargo vessels mainly under Greek and Liberian flags. Major international oil companies provide the majority of Tidal's revenues and income. The policy of Tidal is to charter its ships for periods of several years.

At present the average period of time charter for the entire fleet is 29 months.

## GROWTH RECORD

Mr. Harry Amenatides, President of Tidal, states in a letter to Stockholders that the purchase of 28 ships this year completes the 1971 acquisition program. "Tidal took delivery of its first ship in July, 1969. In the past two years the fleet has grown to 41 vessels with more than 700,000 dwt."

A substantial part of this expansion is the result of Tidal's policy of offering independent shipowners the unique opportunity of becoming equity partners in Tidal by exchanging their ships for Tidal's common stock as well as cash. We are pleased to report that 10 independent owners have become our equity partners by adding their ships to Tidal's fleet in this way.

## SECOND PHASE

"Now that we have a fleet of sufficient size to afford economies of scale, especially in the purchase of insurance and bunkers, we are entering the second phase of our long-term

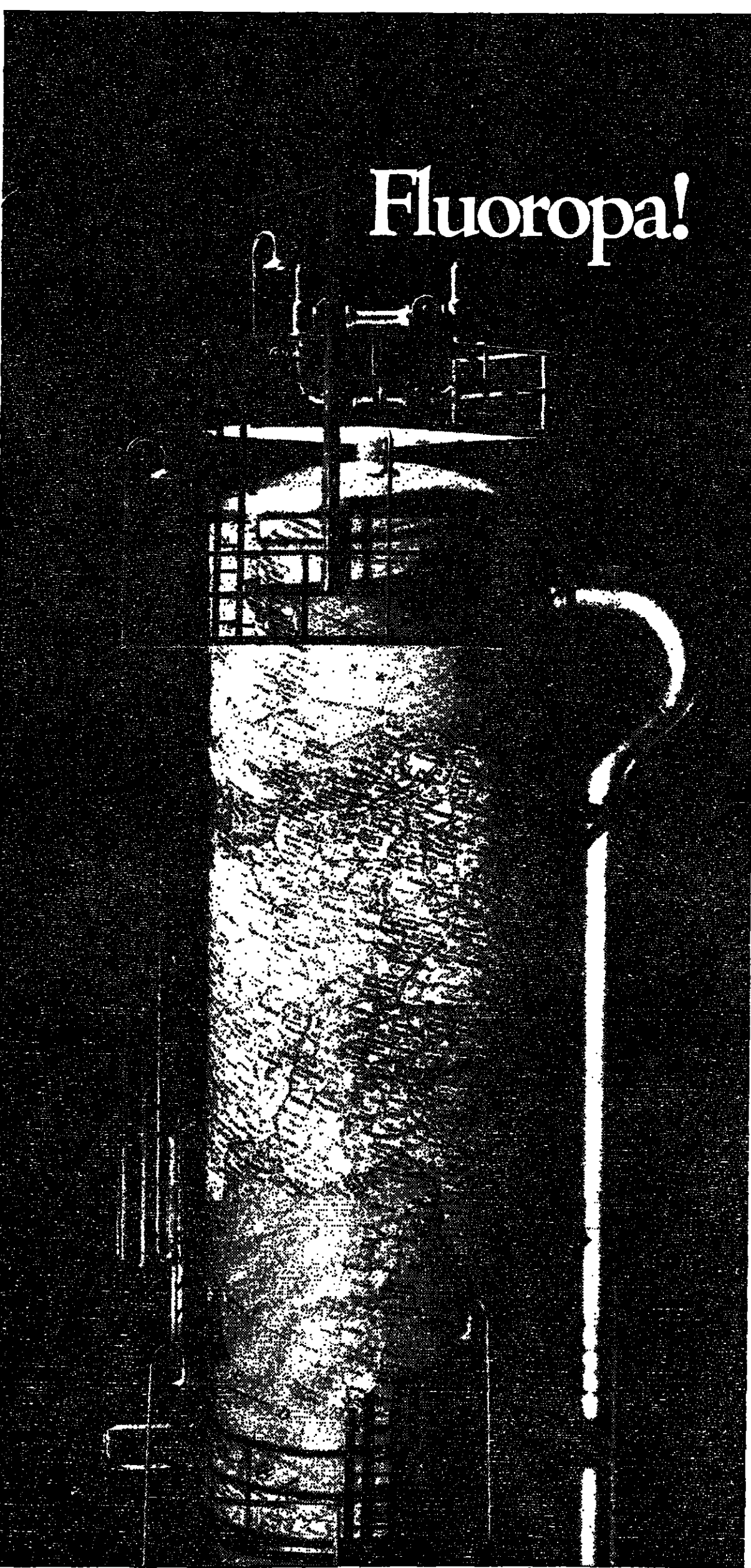
growth program. While we will continue to seek expansion of Tidal's fleet through the acquisition of groups of vessels belonging to independent owners, in this phase we will emphasize the rationalization of Tidal's fleet, particularly through the selective purchase of tonnage which will improve our asset mix.

In addition we are studying with our financial advisors, Shearson, Hammill and Co. Inc., one of America's largest investment banking and brokerage firms, plans to increase substantially our long-term capital, thereby further strengthening our financial position."

## FUTURE PROFITS

"It is not the policy of Tidal to estimate future earnings but we are confident that revenues provided by existing charters for the second half of 1971 will result in substantially higher profits."

Copies of the half-year financial results and the President's letter to Stockholders are available from: Shearson, Hammill & Co. Inc., 77 London Wall, London EC2.







# The crow and the grasshoppers

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they even get lost.)

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sense to send your freight as the crow flies – direct.  
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As the crow flies.





## Other Overseas News

## Big rift in ranks of commandos

By Our Own Correspondent

BEIRUT, Sept. 27. SERIOUS rift has developed inside the Palestine Liberation Army (PLA) after the commander-in-chief, Brigadier-General Abdel Rahman al Yahya, caused the chief of staff, Colonel Haddad, of being responsible for the murder of the army's chief of intelligence in Lebanon.

Brigadier Yahya on Friday submitted a note to the executive committee of the Palestine Liberation Organisation, the highest command authority and technically in control of the PLA, mandating action against Colonel Haddad and his followers here, particularly Captain Ahmed al-Hadad, the PLA commander for Lebanon.

The dead and tortured body of Abdel Rahman Baradei, a close aide of Brigadier Yahya and the chief of intelligence here, is found outside a Beirut hospital on Tuesday. Palestinian sources said he was the victim of the conflict that has been going on between Brig. Yahya and Haddad.

The conflict started several months ago when Brig. Yahya, backed by the PLO leadership, dismissed Col. Haddad as chief of staff. The Colonel alleged the order, and headed a meeting in Damascus of several members of the Army's command. They declared the removal of Brig. Yahya from office and air action at the time was described as tantamount to a coup d'état.

Colonel Haddad is believed to have strength for Syrian authorities, which have actual control on the 7,000 men of the PLA, most of whom are based in Syria.

The new feud erupted as the commando-Jordanian talks in Idha reached deadlock. The Jordanian delegation returned to Amman on Friday without a truce for resumption of the talks.

King Feisal of Saudi Arabia arrived here today on his first visit to the Lebanon since succession seven years ago. He will hold talks with President Leiman Frangieh on a wide range of Arab questions including the current joint Saudi-Egyptian mediation to end the conflict between King Hussein of Jordan and Palestinian commandos. Auerilla leader Yasser Arafat is scheduled to arrive here in Damascus, and there is speculation that he and the King will hold talks. King Hussein also came to Beirut to join him.

## AIR CEYLON LINK WITH UTA

By Our Own Correspondent

COLOMBO, Sept. 27. Air Ceylon and the French line UTA today signed an agreement under which Air Ceylon will fly between London and Colombo twice a week and vice weekly in each direction between Colombo-Djakarta and Colombo-Sydney.

The services will start in April and will coincide with the lapse of the current pool arrangement between Air Ceylon and BOAC.

## Mrs. Gandhi arrives in Moscow—talks postponed for a day

MOSCOW, Sept. 27.

MRS. INDIRA GANDHI, the Indian Prime Minister, arrived here today for an official visit designed to demonstrate Soviet-Indian solidarity, and things immediately began to go awry. Her formal talks scheduled with Premier Alexei Kosygin late this afternoon were cancelled, and a full dress dinner at the Kremlin in her honour was called off at Soviet initiative.

The explanation given by informed sources indicated that Soviet leadership may have been busy with urgent problems necessitating such a breach of courtesy. The sources said the reason for the change in programme worked out well in advance was that all the top Soviet leaders were not in Moscow and that the Russians had wanted to wait until all were present before beginning the formal part of the visit.

However, party leader Leonid Brezhnev returned from Sofia in time for the dinner.

Our Moscow correspondent writes: Economic co-operation and aid are expected to be the main subjects of Mrs. Gandhi's talks, now scheduled to begin tomorrow. An agreement by which India will supply the Soviet Union with 20,000 tons of textiles in 1972 was reached recently and India is hoping to widen the scope of its exports to the Soviet Union. Soviet aid is also expected to come under discussion and it may be significant that at the airport to meet Mrs. Gandhi were the Ministers of Aviation and Defence. The problem of refugees and Soviet aid to India for this purpose was undoubtedly be examined at length.

But it has been noted here that recent Soviet pronouncements in the situation in Pakistan have been restrained, simply stating the need for a peaceful solution to the crisis.

## Egyptian bank looking for Arab investment

By Our Own Correspondent

CAIRO, Sept. 27.

THE MOST significant development in the re-organisation of Egypt's banking system announced at the week-end is the formation of the Egyptian International Bank for Foreign Trade and Development. Established by presidential decree issued on Friday, the international bank is a joint-stock company with an initial capital of \$10m. in 10,000 shares of \$1,000 paid up by the Central Bank of Egypt.

The new bank will deal solely in free, convertible currencies. Its funds, profits and operations are exempt from all taxes and duties and guaranteed against nationalisation or confiscation. These guarantees apply to all individual holdings or deposits. The bank is authorised to establish offices or agencies wherever it thinks fit outside or inside Egypt.

The chairman of the International Bank will be Abdel Moneim Kaissouny, a former minister of the economy, who in recent years has been acting as adviser to the Kuwaiti government. His selection is significant because the first priority for the bank is to channel investment from Kuwait, Saudi Arabia, the Gulf States and Libya into the Egyptian economy. In addition to acting as agent for investors, the bank will also help finance Egypt's foreign trade.

Although the bank is looking primarily for Arab investment, all its facilities and concessions are available to other foreign investors making deposits or placing funds in approved projects. The interest rates on deposits have not yet been fixed but Government sources say they will compare favourably with world market rates.

The new bank is supplemented by a decree on capital investment which authorises the designation of free zones in industry, mining, agriculture, tourism and housing projects. A free zone could also cover imports of raw materials or transport equipment. Any investment within a free zone will be exempt from the laws and regulations applying to the public sector.

## Pakistan requests new debt relief initiative

By Our Own Correspondent

KARACHI, Sept. 27.

PAKISTAN is understood to have requested the World Bank to initiate a multilateral agreement with a consortium of countries in the context of Pakistan's request for relief in respect of her debt service liability which constitutes an important claim on the tight position of her foreign exchange resources.

The Pakistan Government has also requested the World Bank to arrange for the resumption of talks on Pakistan's foreign aid requirements for the current year.

In the absence of an agreement for debt relief Pakistan had in March this year acted unilaterally and suspended conviction of all debt servicing which arose out of bilateral aid commitments. The six month period which Pakistan had asked for is to expire on October 31 and a decision is urgently called for as Pakistan is still in difficulty with its foreign exchange resources.

The Government has meanwhile announced an industrial investment schedule for the fourth Five Year Plan—1970-1975—envisaging a total investment of \$16,186m. (about \$1,400m.).

Of the total, \$5,420m. have been earmarked for East Pakistan, \$5,490m. for Punjab, \$3,100m. for Sind and \$1,670m. for the Northwest Frontier, and \$480m. for Baluchistan.

Britain is making a loan of \$1.25m. to Pakistan under an agreement signed in Islamabad as a contribution to the Tarbela Dam project, which is financing the construction of the Tarbela Dam on the River Indus in West Pakistan.

## Japanese textile warning

TOKYO, Sept. 27.

JAPAN'S powerful textile industry today warned that it would campaign to overthrow the government if it resumed official talks with the United States about textile exports. Mr. Shinzo Ohya, newly elected chairman of the Japan Textile Federation, issued the warning after the organisation had rejected a proposal for resumption of the government negotiations to restrict exports to the American market.

There have been unconfirmed reports that if the U.S. Government did not get a Japanese answer on resumption of the talks by October 1, it would impose quotas on textile imports on October 15.

Mr. Ohya told a Press conference after meeting Prime Minister Eisaku Sato that he hoped the Government would not take "such a foolish course" as to resume the talks, which collapsed last January.

The federation today said it would continue its self-imposed curb on exports imposed on July 1. But in a resolution approved by the Board of directors it reportedly presented what looked like an ultimatum to Japan, compelling her to choose between an extremely restrictive Governmental pact and unilateral imposition of import quotas.

## N. KOREAN TALKS WITH MALAYSIA

By Our Own Correspondent

SINGAPORE, Sept. 27.

A THREE-MAN North Korean trade mission, the first to enter Malaysia, arrived today bent on promotion of "trade and friendly relations." The leader of the delegation, Bak Su Kwon, Director of Asian Affairs in the North Korean Ministry for Foreign Trade, began discussions soon after arrival with officials from Pemas, the government-owned national trading corporation. Trade between North Korea and Malaysia, negligible in comparison to the timber and rubber South Korea purchases, has thus far been conducted mostly via Singapore where the Koreans maintain a trade mission.

## REFUGEES IN WEST BENGAL

## New problems are threatening

BY STEWART DALBY, RECENTLY IN INDIA

THE FLOODS of recent weeks which have overwhelmed vast areas of India contiguous with East Bengal have brought in their wake death and disease. They have also added immensely to the difficulty of distributing vital food and medicines to the 40,000 refugees who continue to pour in daily from Pakistan.

At the approaches to Bongaon, a town four miles from the East Bengal border on the main Calcutta-Jessore route, many of the makeshift huts perched in unbroken lines on either side of the road have one foot of water as their floor. The people who squat here are the overspill which the camps cannot contain. As I drove along this road were of unending sheets of water broken only by the roofs and upper windows of houses, the tops of trees and scattered bits of debris such as old pots and saucers, bits of wood from broken shelters and furniture.

In parts the road has been completely washed away. The water came up to the doors of our UNICEF jeep covering the three-foot-high wheels.

## Distribution

Since the influx of refugees began in March, the population in the 320 square miles which comprise the sub-district of Bongaon has more than doubled. There was a local population of 440,000 before, and now there are 640,000 refugees as well. Of these, 500,000 are in the 32 official camps spread through the sub-district. The rest are those along the roadside.

A number of diseases have broken out, including cholera at the rate of 50 to 60 cases a day. But the greatest problem in keeping the refugees alive and fed at the moment is distribution. Some 225,000 refugees are now completely cut off by road and can be reached only by water.

Two logistical problems thus arise. First the authorities have only seven army speedboats and whatever country boats they can commandeer. The speedboats can carry only 10 to 12 tons of supplies. The total daily consumption of food by the refugees in the area is 250 tons. Secondly it takes two days to reach outlying camps by water. At Debra camp, which has 70,000 refugees and was under 15 feet of water in places, contingency stocks were laid in for only 15 days—and the 15 days have already expired.

Despite the communications problem nobody is actually starving yet. There is sufficient food to give everyone the recommended 400 grammes of carbohydrates in rice and 100 grammes of protein. The local sub-district magistrate who is overseer of the refugees admittedly has only a fifth of his normal stock of 1,750 tons—which is a week's supply—but new supplies should be able to get through soon from Calcutta.

Many of the camps are no longer awash although they resemble a badly polluted beach when the tide has gone out. Scarcely clad men and women live in conditions of indescribable squalor. Hundreds queue ankle deep in mud for their rations.

A doctor told me that in his opinion 50 per cent. of the children in his camp are suffering from malnutrition although many look healthy enough. One woman in five is pregnant. Visitors come across refugees giving birth and dying as casually as if they were getting dressed in the morning. In one tent 30 yards long by 10 yards wide 19 families were cramped.

There are fresh hazards in prospect. According to Mr. K. K. Naskar, the sub-district magistrate, the waters will shortly go down and for a while will be too shallow for boats but too deep for motor transport, so shortages could occur.

But the real danger comes when the water subsides completely. In the morass of mud and excrement diseases could flourish. Whatever sanitation there was has already been completely obliterated by the floods and shelters have been knocked flat. Of the 600 tube wells sunk in the area 500 are out of order. There is enough saline solution to deal with cholera but other medicines will have to come up from Calcutta.

Although it presents a horrible picture, Bongaon should be seen in perspective. The area contains only a few of the estimated 940 camps ringing East Bengal. In the West Dinajpur and Malda districts of West Bengal rail links have been severed completely and helicopter drops are often the only means of supply. The total number of refugees has reached an alarming 8.6m. The cost per day to India is Rs.25m. (£1.3m.) or Rs.2.7 per capita. A total of Rs.406.5m. has been allocated to the relief programme.

Understandably there is a feeling of bitterness among the authorities in West Bengal about the international response. According to their latest figures the amount of foreign aid received is less than 25 per cent. of what was promised. The total aid so far received, say the authorities, amounts to Rs.89m., or enough to pay for four days' supplies to the refugees.

If all promises are eventually fulfilled in terms of cash or goods there may be enough assistance from abroad to keep the programme going for two months. But, as one official from the Ministry of Rehabilitation remarked, "We have already kept them alive for six months."

Some Western relief workers dispute these figures but no-one seems able to produce a convincing defence of the foreign relief effort.

## Violence

There is at the moment—despite the distress and the re-criminations—sufficient food in India to keep the present number of refugees adequately fed. But the authorities are now afraid that many more refugees may be coming. They say that persecution by the Pakistan army is continuing and that the spectre of famine in East Bengal is almost certain to become a reality. They do not know how to cope with the millions of new refugees which either of these events is likely to precipitate into India. But to those who are trying to cope with the problem and those who are looking at it from outside it is all too apparent that the outcome is likely to be violence.

## Uganda Asians alarmed

By Our Own Correspondent

KAMPALA, Sept. 27.

ASIANS here are alarmed by newly-announced Government moves to hold a countrywide physical count of the estimated 100,000 Asians here, including about half the total who are Ugandan citizens. Week-end announcements say enumeration centres will soon be established throughout Uganda—including 30 in Kampala—and each Asian family must report in a group for counting. They must also produce birth certificates and citizenship documents for checking. The announcement warns that no Asian must leave Uganda without Government permission—and any who do will forfeit any residential rights here.

## Zambia frees expatriates

By Our Own Correspondent

LUSAKA, Sept. 27.

SEVERAL of a group of ex-king which had breached Zambian currency regulations for ago have been released and years, having participated in apparently deported. On June 30 and July 11, 13 men were detained under Preservation of Foreign Currency and at the same time siding Rhodesia while no charges were made it sanction-busting. It is now believed that the men were alleged to be part of a large released men were heavily fined.

## Now Chemical Bank opens in Spain

Chemical Bank has opened a representative office in Madrid. This helps open Spain to you.

And to see that you get all the benefits of our services, we have made Mr. Terence C. Canavan, an experienced international banker, our Madrid representative.

Working with our international team in New York and our branches throughout Europe Mr. Canavan will be able to assist you with your financial requirements in Spain.

Chemical Bank is an international banking system. We can help you in Spain and anywhere else your international business expands because we have branches, representative offices, and affiliated financial institutions around the world.

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Telephone: 01-606-8040

Chemical Bank, 13 Davies Street, London, W.1.  
Telephone: 01-493-2921

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This announcement appears as a matter of record only

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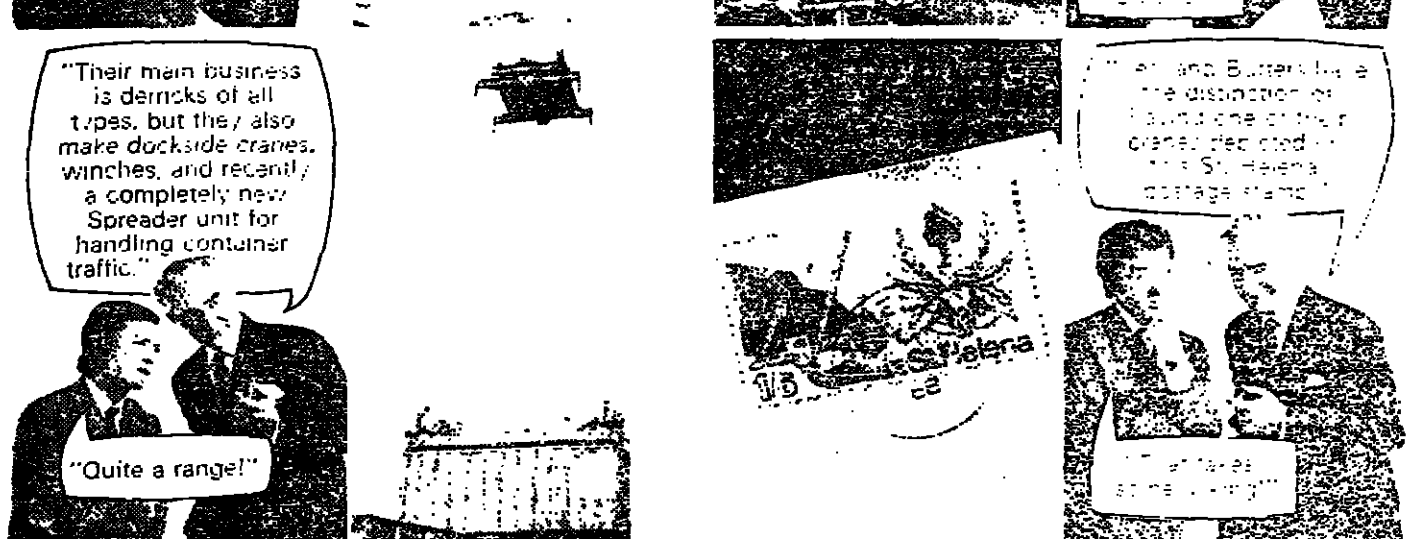
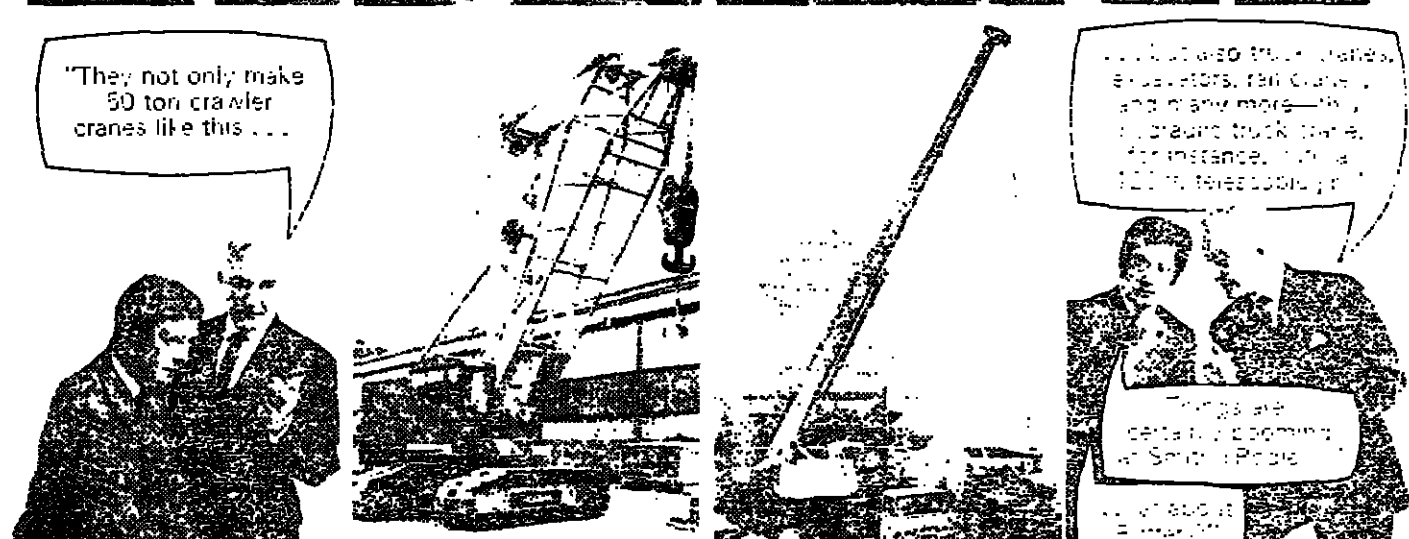


# In the crane-making world there's a lot to be said for Smith/Butters

—the Crane-makers in the Ward Group



"Do they specialise in the type of cranes they make?"



## SMITH/BUTTERS

The Crane-makers in the Ward Group

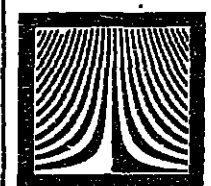
John Smith (Keighley) Ltd. Makers of Overhead Cranes.

Thomas Smith & Sons (Rodley) Ltd. Makers of Crawler, Mobile, Hydraulic, Rail and Dockside Cranes, Excavators and Draglines.

Butters Cranes Ltd. (Glasgow) Makers of Derrick, Dockside and Container Handling Cranes, Grabs and Winches.



CH 4/12



## The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

### COMPUTERS

## Anglo-French pact takes shape

FIRST of the rapprochements between British and French software houses to be announced in the Technical Page of July 21, this pact concluded between Logica and SESA—Société d'Études des Systèmes d'Automatisme—disclosed yesterday.

Several others are understood to be in the pipeline, as a result of the efforts, made by French official quarters in particular, to ensure that the two countries win a worthwhile share of the market.

### Olivetti's twenty-inch mini

OLIVETTI, which claims to have introduced the world's first desk top computer in 1965, has now introduced the P602 which, together with its peripherals and software is intended, says the company, to reduce the size, cost and complexity of the world of the research technician into ever wider acceptance with commerce.

The P602 is designed for a wide range of applications in science, technology, statistics and commerce. It is programmed by means of a postcard-sized magnetic card which is simply produced on the machine itself. Programs alternatively entered via the keyboard can be recorded on the cards for external storage, providing a permanent solution to complex or repetitive problems.

The main core storage of the machine has 16 registers, of which three are for operation,

one for storage, eight for storage or program and four for program only. Each of the eight storage/program registers has a capacity of 30 digits or 32 program instructions, and each can be called on indirectly as well as directly. Olivetti claims this to be unique in computers of this size, pointing out that it is more typical of much larger installations and means that the memory is 100 per cent. utilised.

The P602 measures about 20 inches square, and three peripherals, all compact 12-inch cubes, can be interfaced to it. The ML1 600 is a magnetic tape cartridge giving the computer access to 3,623 registers, providing for about 29,000 instructions.

The LN 20 is a punched-paper tape reader, the PN 20 a paper tape punch.

The keyboard of the P602 is arranged in colour-coded groups. Printout is at 30 characters per second and contains all the data entered together with those results specified by the program.

Olivetti holds a library of standard programs for the common problems and has established a team of specialists to compile packages for the specific needs of any industry. There are

six U.K. programming centres. Customer courses are to be run for P602 users developing their own software so as to provide a complete understanding of the machine's potential.

### RCA change of policy

BECAUSE of the immense amount of interest aroused by the RCA Corporation's policy switch on the manufacture and marketing of computers and the fact that the company announcement was made at a time when U.K. national Press difficulties came to a head, we are reprinting the basic statement issued by the Chairman of the Board and Chief Executive Officer, Dr. Robert Sarnoff.

Three key decisions have been taken by the Corporation's board of directors and are to be implemented as soon as possible. RCA is to withdraw from the general purpose computer business. This means the discontinuance by RCA of the manufacture and marketing of general purpose central processors,

commonly known as main frame processors, and related peripheral equipment.

RCA will concentrate its computer efforts in the development, manufacture and marketing of specialised data communications systems for application in such areas of Government and defence, communications networks, and specially-designed business systems.

RCA will continue its expanding third party maintenance programme for computers and other types of sophisticated electronic equipment. This is the responsibility of the RCA Service Company.

The official statement added: "These decisions are the outgrowth of intensive studies undertaken by RCA's management of the changing conditions in the computer industry, and of the company's prospects for profitable participation in it. These studies have shown that the main frame business, which comprises the bulk of today's computer industry, will continue to grow, but at lower levels than previously projected. The severe pressures generated by a uniquely entrenched competition will correspondingly intensify."

### OFFICE EQUIPMENT

## Rank Xerox expands plant in Holland

WITHIN the next three or four years Rank Xerox will make an entry into the European computer market, probably in the field of peripherals.

This forecast was made by Mr. C. P. McCollough, president of the Xerox Corporation, at the opening of a £4.5m. extension to the Rank Xerox factory at Venray in south-eastern Holland. However, he added a note of caution by saying, "We have still to gain a good deal of expertise."

Other plans for the future were the development of a new system of xerography for reproducing colour and a move into the field of education equipment and materials. Advanced office systems were under scrutiny.

The extension, officially opened by Prince Bernhard, marks the completion of a further stage of a big development scheme for the 55-acre plant at Venray which is devoted to the production of copying and duplicating machines and supplies. Two production floors covering an area of 190,000 sq. ft. and a 4-storey office block are included in this latest stage.

Work on a further £4.5m. expansion project started last May is now well under way. Parts manufacturing facilities will be doubled.

Assembly is the major activity at Venray. Many thousands of separate parts are needed for the copiers and duplicating machines made there. The Rank Xerox 7000 reduction duplicator, for instance, is built up from about 4,500 different components, including 11 electric motors, a complex optical system, a printer, blower systems, suction pumps. Assembly calls for great precision, particularly the alignment of optical paths and paper feeds.

Machines assembled at the plant include the 660, 720 and 3600 copier-duplicators as well as the 7000 reduction duplicator. Also produced are the various supplies needed for xerographic machines, such as toners, developers and selenium drums.

Rank Xerox now has three main production plants, the others being in the U.K. at Mitcheldean, Glos, and Welwyn Garden City, Herts.

### METALWORKING

## Rocket cuts into metal wreckage

FOR use in "life-saving" situations, a group of scientists from a rocket propulsion company has developed a self-contained, hand-held, metal cutting torch.

This can be used to extricate a driver trapped in the wreckage of an automobile or passengers in other forms of transport involved in crash accidents. The device is a rocket motor which, when set off, extends forward, becomes a highly efficient, easy-to-use cutting torch with a flame temperature of over 5,000 degrees. To the best of anyone's knowledge, it is the first application on earth of a rocket for other than propulsion purposes.

The hybrid rocket-torch is 17½ inches long, 2½ inches in diameter and weighs 6½ pounds. In use, the operator is unencumbered by external hoses or fuel tanks. He has only to pull a ring-actuated igniter in the nose of the tool to put it in action. Designed to have an indefinite storage life, the torch with its all-solid components, offers no hazards from leaks or punctures.

The unit has ability to cut ¼-inch-thick steel plate at the

rate of a foot a minute, steel construction bars, and other types of metal.

Further information can be obtained from United Technology Center (United Aircraft Corporation), PO Box 338, Sunnyvale, California 94088.

## Carbides to make good pressings

CARBIDES formed under high pressure and heat are claimed to have a better surface and to be free of internal pits and voids. Used for shafts, they are stronger. Used for rolls, they produce a better surface on the sheets being rolled.

The heat and pressure, claims Kennametal, of 1, Lloyd Ave., Latrobe, Penn. U.S., close up any pits in the surface or voids in the interior of the powder compact. Parts can be produced up to 14 inches in diameter and 80 inches long with present equipment.

Pressure, applied by helium or argon, is up to 20,000 lbs/square inch and the temperatures go up to 2750° F. At this point, the company explains, the cobalt or other binder metals act as a lubricant and let the powder particles flow over each other to fill the voids and pits.

### COMMUNICATIONS

## Seeing in the dark

SMALL fishing craft are in extra hazard in thick weather and darkness because their lights are dim and wooden construction is a poor radar reflector. However, additional protection can be at the masthead.

Whelan says the xenon light can be seen 10 times as far as an incandescent light using the same current. Using 2 amperes with flashing navigation lights whose usual rate is 60 per minute.

The light offered by Whelan Engineering Company, of Winton Ave., Deep River, Conn., U.S.,

has a flash of 1 in. candle power, sweeping in a 360-degree circle around the horizon. The flashes are timed at 90 per minute so that the light is not confused with flashing navigation lights.

Whelan says the xenon light can be seen 10 times as far as an incandescent light using the same current. Using 2 amperes with flashing navigation lights whose usual rate is 60 per minute.

The light offered by Whelan Engineering Company, of Winton Ave., Deep River, Conn., U.S.,

### CONSTRUCTION

## Parabolic fabric roof

MEMBRANE structures similar houses and leisure centre to those used for the West German pavilion at Expo-70 in Japan are now being made in the U.K. by Irvin Great Britain, Ltd. of Letchworth Garden City, in Herts.

Owing much to techniques developed in Germany in the 1950s by Professor Frei Otto of Stuttgart University and Herr Otto Stromeier of the Stromeier Organisation, Konstanz, the

structures have a roof of high tensioned fabric suspended between rigid steel masts held in position by steel stress cables.

The fabric principally used is Terylene, a high-strength heavy-duty lightweight tarpaulin material woven from 100 per cent. Trevira high tenacity yarn and coated with pvc. Manufactured by Carrington-Vivella, it is claimed to allow no contraction or expansion, even under the influence of moisture.

The fabric sections of the membrane are designed into a pleated skin which would assume, even under stress, the shape of the structure throughout the surface of the skin drawing it into its correct setting.

As a result, Irvin claims, the structure can withstand winds of 70 mph and a 6 foot covering of wet snow without any problems. Both that and its size potential are said to give it considerable advantages over marquees.

The life of a membrane structure is put at five to seven years. Applications for the building have already had a place in a 100-stall open-air market, which would normally have been met by standard marquees.

Its potential is claimed as wide-ranging, with the possibility of forming mobile ware-

## Printing on cartons

THE automatically fed overprinting machine for cartons supplied by Milford-Astor and described on this page on September 24 has outputs ranging from 30 to 100 units per minute not an hour as was then stated.

DAVID WALKER



# For you, this important invitation to discover The Truth about Bahamas Land Investment today.

How to look beyond the sun, sand and sea and achieve the substantial profits that can come to investors who follow some simple yet sometimes surprising guidelines.

Their essence is presented in print for the first time in a remarkably frank and explicit new booklet, now yours for the asking.



**P**ROPERLY approached, Bahamas land investment can be infinitely more attractive to you now than at any other time in the past half-decade. With up-to-date information, you can make it much less of a speculation simply by taking advantage of the positive aspects of recent experience while simultaneously avoiding the negative pitfalls.

This refreshingly open, informative and comprehensive booklet can save you infinite amounts of time, money and concern in the pursuit of unusually large financial gain through overseas freehold property ownership.

A copy is yours free, plus full details of an extraordinary opportunity, meeting all guidelines, which exists for you today at Treasure Cay. There is no obligation whatever involved, of course.

Because you are aware of such matters, it will scarcely astonish you when we say that in the past five years or so an estimated several thousand private individuals, trusts and corporations in Great Britain alone have invested more than one hundred million pounds in just one kind of property—freehold land in the Bahamas. It has, according to best estimates, become one of the most important single magnets of recent years for overseas property investment from the United Kingdom.

Nor are the causes unclear. There is no property dollar premium involved, no bank or other approvals are required; extraordinarily liberal time-payment terms are granted almost automatically, enabling small amounts of cash to do the work of large; there is virtually a complete freedom from all kinds of taxation granted by the Bahamas Government. Above all else, the potential for unusually large profits has been present—and they were in fact realised by more than a few people who approached the situation with an open mind and a sense of discernment.

In the past year or two, however, some profound changes have taken place in the Bahamas. What may not be immediately apparent to investors is that the end result of these changes

is to create a far clearer avenue for profitable Bahamas land investment than ever before, for those who know how to read the signs. It is now infinitely easier to identify the type of situation which not only offers the least amount of risk, but—surprising as it may seem—the greatest appreciation in value in the shortest period of time as well.

Several weeks ago we realised that nothing existed in public print describing the situation for Bahamas land investment today, as opposed to five years ago, or even a year or two ago. We then immediately approved the preparation of a special paper telling succinctly and straightforwardly what applies now. For it, we made available our confidential reports on other major schemes in the Bahamas, with the stipulation that no competitor would be mentioned specifically by name. And of course, there would be no effort to obscure our own objectives.

**For anyone interested in new avenues of unusually profitable investment**  
The result is the announcement today of the publication of what we believe to be a uniquely informative and useful booklet entitled *Guidelines for Gains: Today's*

## Essential Requirements for Successful Property Investment in the Bahamas.

An idea of its content can be gleaned from the sub-title: "How to look beyond the sun, sand and sea and achieve the major profits that can come only to investors who are realistic about trends and timing—as well as the fundamental nature of the project being considered, and the resources and temperament of the people behind it."

If you are seriously entertaining any notion that you might like to enquire into the potential of land ownership overseas, we invite you to receive, by post, one of the limited number of copies of *Guidelines for Gains* without cost or obligation.

The booklet begins by posing some questions: What is freehold land investment in the Bahamas all about? How does one go about gaining some indication of specifically how much money can be made? How long do you have to wait for optimum gains? How does the situation in the Bahamas differ today from heretofore?

## Surveys the entire Bahamas land investment scene for you

In providing answers, *Guidelines* first analyses the various types of land investment opportunities open to you. The sun, sand and sea of the Bahamas may still reign supreme in the world, but there are some 700 units in the chain of islands that comprise this member country of the British Commonwealth—and an almost infinite number of land ownership opportunities.

*Guidelines* explains why by far the majority of recent Bahamas land investors have concentrated their selections in various developments whose names may already be familiar to you, instead of going it on their own with independent and isolated investments. It emphasises that the appeal of the Bahamas is to the affluent. It defines the specific categories of such affluence, and tells you about the positive and negative aspects of each from an investment viewpoint. Some of what you discover in this section of the booklet may not have occurred to you before—as, for example, the role of projects for the super rich in upgrading price levels of other projects that are for the merely affluent.

*Guidelines* next stresses the critical importance of investigating fully and unemotionally the group developing any project in which you may be interested. It tells you precisely what information to look for, and suggests where to find it. It describes the way in which a great many development companies in the Bahamas and elsewhere operate, and relates it to

this statement: "In land development as in any other kind of profit-seeking, there are periods of greater and lesser demand—and the development group must have behind it the financial resources to continue the realisation of the project's Master Plan no matter whether sales are booming or going through one of the inevitable periods of widespread constriction such as was seen during 1970 and 1971."

## Information not available to you from any other publication

Another section of *Guidelines* deals with identifying and capitalising on major long-term trends. It includes some statistics, the magnitude of which may startle the uninitiated, and it spells out clearly how three phenomena of today are certain to affect your land investment tomorrow.

*Guidelines* then focuses on studying the situation at present and in the recent past at any given project, and evaluating what it all means. Following this is a frank and full section on realising the proper time for buying and selling; it shows the relationship of the overall size of the project, and its stage of completion, to both the magnitude of potential profits and the length of time it will probably take to achieve them. Here *Guidelines* also addresses itself to a question frequently by-passed: Is the present price level of land in which you are thinking of investing such that there is room to grow? As the study states, "Clearly, if a piece of land is priced excessively today, future appreciation is going to be a long, slow process. Just as clearly, the investor needs to know what is a low price today, and what is too much."

Finally, *Guidelines* explores in detail the whole area of tax advantages and privileges of Bahamas land ownership, and the regulations and restrictions sometimes encountered elsewhere in overseas property investment. It has been said that the Bahamas offer the highest and safest net rate or return of any major financial centre of the Free World; if so, one reason for this in regard to land investment is the full freedom from Bahamas taxation on the property you own while you own it, and on the profit you make when you sell it.

## Serious minded investors may visit the Bahamas on a cost-free basis

Why do we offer you a copy of *Guidelines* without cost or obligation? First, to enable investors to discover the truth about Bahamas land investment today. And second, to suggest that it could be highly worthwhile for you to receive complete information on Treasure Cay itself.

To accomplish the latter, we have prepared an entirely new 32-page brochure in full colour which describes and depicts

Treasure Cay as it is now. We shall be delighted to make sure you receive a copy. At the same time we shall up-date even this new brochure by stating what is being constructed at the moment in the way of additional recreational facilities, and just as important, homes under construction or under contract by individuals themselves.

We do, however, make this claim straight out, subject to your own verification: *There is no comparable project in the Bahamas at which such an array of diversified luxury facilities exists today, and at which there is so much being constructed today for the future, to protect and enhance the value of both our own investment and*

*our investors'.*

This is no idle statement, and we are most anxious that you prove it to yourself if you are seriously interested in the profit potential of Bahamas land ownership. To enable you to do so, we are prepared to extend to you an offer which can result in your having a cost-free week-long holiday in the Bahamas at the time of your choosing.

But the important thing at this moment is to take the first step towards learning more. Simply fill in and post the coupon below today. We stress once more that there is no cost or obligation involved, and the advantage to your doing so can be considerable indeed.

## FREE: GUIDELINES FOR GAINS

Today's Essential Requirements for Successful Property Investment in the Bahamas.

*Guidelines for Gains* is published by Treasure Cay Limited, a full-facility luxury resort complex of some 1,400 acres situated off Great Abaco Island, in the always comfortable northeast quadrant of the Bahamas. Interests in Treasure Cay are shared by Lazard Securities, Guinness Mahon and Morgan Grenfell on behalf of their clients, and Treasure Cay Limited, a subsidiary of Deltec International Limited, which is listed on the New York Stock Exchange.

We have been involved in Treasure Cay since 1968. To date approximately £8 million has been put into the development of this permanent project, and previously committed components of development not only continue on

schedule, but new and unlooked-for ones keep on being added—which increases in unforeseen ways the value of the property held by all land investors in the project.

Deltec International is involved in a number of diversified activities; in the food area, for instance, its brand-names such as Armour, Swift and Tendawrap are household words on several continents. The cornerstone of the financial activities of Deltec International is The Deltec Banking Corporation, which has arranged total financing on a world-wide basis of more than £367,350,000 since its founding.

## Invitation acceptance

To: **Treasure Cay**

22 Hans Place, London, SW1X 0EP

I should like to receive by post, entirely without charge or obligation, a copy of *Guidelines for Gains*. I also wish to receive further information on Treasure Cay itself, including the new full-colour brochure and details on how I may enjoy a week in the Bahamas to see the development for myself at no cost.

Name \_\_\_\_\_ (BLOCK LETTERS PLEASE)

Address \_\_\_\_\_



One of the greens of the highly attractive and challenging 18-hole championship golf course at Treasure Cay, Bahamas. Other facilities include five hard courts, a completely operational international marina, hotel and villa complex, extensive colony of private homes and a full complement of luxury-level services and amenities ranging from shops to medical clinic.



This announcement appears as a matter of record only.

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September 21, 1971

## INTERIM STATEMENT

## Fisons looks forward to Europe.

In his interim statement to stockholders of September 27th 1971 Lord Netherthorpe, Chairman, reviewing the impact on Fisons of entry into the Common Market, spoke of:

Increased potential for fertilizers and agrochemicals.  
Longer term prospects for faster European development of new pharmaceutical products.  
New opportunities for consumer lines.

The full text of the statement was:

The Profits of the Fisons Group, unaudited, for the six months ended 30th June 1971, with comparable figures, are as follows:

	Six Months ended 30.6.71	Six Months ended 30.6.70	Year ended 31.12.70
Trading profit	4,429	4,186	6,302
Investment Income (gross)	254	123	477
Debt and Loan interest payable	-599	-638	-1,248
Group Profit before Taxation	4,084	3,671	5,531
Taxation	-1,806	-1,654	-2,309
Net Profit attributable to outside interests in subsidiaries	-4	-11	-4
Net profit attributable to Fisons Limited	2,274	2,006	3,218

The Board has today declared an interim dividend of 5½% absorbing £1.297M payable on 8th December 1971 to stockholders on the register at 26th October 1971 (1970 second interim—5½%, absorbing £1.297M). The final dividend for the year will be recommended in March 1972.

Trading profit came from the following activities after deducting Research and Development expenditure as shown:

	Six months ended 30.6.71	Six months ended 30.6.70
Turnover	9,294	11,718
R & D	465	463
Profit	345	990
Agrochemical Division	30,702	26,301
Fertilizer Division	8,689	6,606
Pharmaceutical Division	48,685	44,625
Total	1,449	1,195
	4,429	4,186

Investment Income (gross) includes the gross dividends receivable during the period from Associated Companies. Fisons' share of the trading results of those companies has not been consolidated in the accounts at this interim stage, but it is intended that this will be given effect to in the Accounts for the year 1971. The effect should not be significant.

## FISONS AND THE EEC

A decision on UK accession into the EEC is to be taken in October and stockholders should therefore know what entry into Europe will mean to their company.

Demand for fertilizers and crop protection products should rise. Opportunities will be created for the British farmer to increase production, of cereals and beef in particular, since he will be able to sell his produce in a higher price market.

In agricultural and industrial chemicals a substantial and increasing share of our sales already goes to Europe and a progressive elimination of tariffs should mean an improved rate of profit on existing trade and lead to new business which the present level of duties prohibits. We foresee no cost disadvantage against our Continental competitors and the elimination of dumping implicit in a unified agricultural market should be a welcome stabilising factor.

Products of the Pharmaceutical Division are already manufactured at three locations within Europe and two in the United Kingdom. Membership of the Community will permit a greater degree of flexibility of manufacture and an improved pattern of distribution. The Treaty of

Rome provides for a welcome harmonisation of many measures, of which patents and regulations dealing with health services and registration procedures are most important to the company.

The growth of the economy of an enlarged EEC should benefit the sales of consumer goods, especially toiletries, slimfoods, over-the-counter pharmaceuticals and garden products.

Fisons look forward with eagerness to the establishment of the enlarged trading area and with confidence to the energetic exploitation of the opportunities arising from it.

27th September, 1971.

Netherthorpe.

FISONS

## REPORT FROM THE REGIONS

BY STANLEY WEBB

## Conflict over the Medway

THE KENT county council has given only a cool reception to the proposal to turn the Medway estuary into a marine industrial development area (MIDA) on the lines of the great Europoort complex in Rotterdam. After a thorough survey of the pros and cons it has decided to postpone further consideration until the Government has made up its own mind on the case for a MIDA in the U.K. and on the criteria affecting its location.

This respite will be a great relief to the many local interests that feared that a MIDA on the Medway would irretrievably damage its character. At the same time, the council would like to see the best use made of its natural advantages to improve the area economically and help the employment situation.

A new factor is the decision to site the third London airport at Foulness, on the North side of the Thames estuary opposite the Medway. An examination is to be made of the feasibility of complementary port and industry development at Maplin Sands and on the Medway. This would take into account the question of a Lower Thames crossing as proposed in the strategic plan for the South East published last year.

The MIDA concept originated with the National Ports Council, which in 1967, with the Ministry of Transport, commissioned a survey of areas in Britain with space for new industrial development near water and large population centres. The Medway estuary was among 11 recommended sites, and its nearness to Europe, with the possibility of Britain's entry into the Common Market and the building of a Channel tunnel, seemed to heighten its attractions.

## Yachting centre

Intensified commercial use of the waterway followed the closure of Sheerness naval dockyard in the 1950s; there has been substantial industrial development, including an oil refinery, although the old-established paper and cement industries have had their difficulties. Below Rochester bridge, the river has become an important yachting centre, drawing enthusiasts from London as well as from the Medway towns; moreover, much of the estuary is of high amenity and scientific interest.

While recognising that a Medway MIDA could bring substantial economic benefits to the area, Kent county council was concerned about the change in the character of North and mid Kent that would inevitably result. The development proposed over the next 20 years would industrialise a large area of marshlands and



The Medway at Rochester

saltings in the Medway, lead to major expansion in the Isle of Sheppey, and possibly double the size of Sittingbourne and the Rainham-Wigmore sector of the Medway cluster. Open country would be diminished and the whole area become more generally urbanised. In 1969 the council commissioned its own report from the Economist Intelligence Unit. This study supported the view that, from a physical and investment standpoint, the Medway was likely to prove one of the best sites available for a MIDA in the U.K. It was equally clear that such a development would make a major impact on the environment. The council decided to seek all the views it could get in resolving this dilemma.

Copies of a detailed consultative document were circulated to local authorities, commercial, industrial and amenity interests. Replies indicated that, because of the environmental damage that would be caused, there would need to be an overwhelmingly strong economic case to justify a full-scale MIDA. Whether or not such a case exists would be for the Government to decide.

Broadly in favour of the MIDA were Chatham, Gravesend and Queenborough councils. Rochester and Malling adopted a neutral position. Gillingham (the largest town in the area and the one potentially most affected) was strongly opposed, as were Sittingbourne and Milton, Strood and Swale, and all the parish councils. Industry, on the other hand, gave the plan varying degrees of approval.

Conservation, amenity and recreational societies—including the Greater London and South-

East Sports Council and the Medway Yachting Association, representing about 14,500 yachtsmen to the Midlands and North, would be improved by the plan. A typical comment from the Ramblers Association was: "MIDA proposes at one blow not merely to deprive 600,000 people in the Medway area of amenities, but to increase the numbers involved in it by settling in the area some 300,000 to 400,000 additional inhabitants. For these people and for Kent it would be the worst kind of 'planning' imaginable, with its barbaric negation of human decency and rights."

One man who felt strongly about the proposals was Dr. Stuart Cox, a Gillingham councillor and a member of Kent county council. Dr. Cox is also Rear Commodore of the Medway Yacht Club, 90 per cent of whose membership comes from London. "Such a vast development is certainly not suitable for the Medway," he said. "It would repeat many of the mistakes of the industrial revolution and create serious social problems. Nor would it solve local unemployment because the work that would become available would not be suited to local skills. It would be more likely to attract unemployed from other areas—relieving their problem but not ours."

"Industry in Kent must be related to local needs and aptitudes and developed where there are unoccupied sites already available—as in Gravesend, Dartford and Northfleet—with the co-operation of local authorities."

He believes, on the other hand, that the Medway, already the country's fifth largest port, is eminently suited to port development, since the channel is deep



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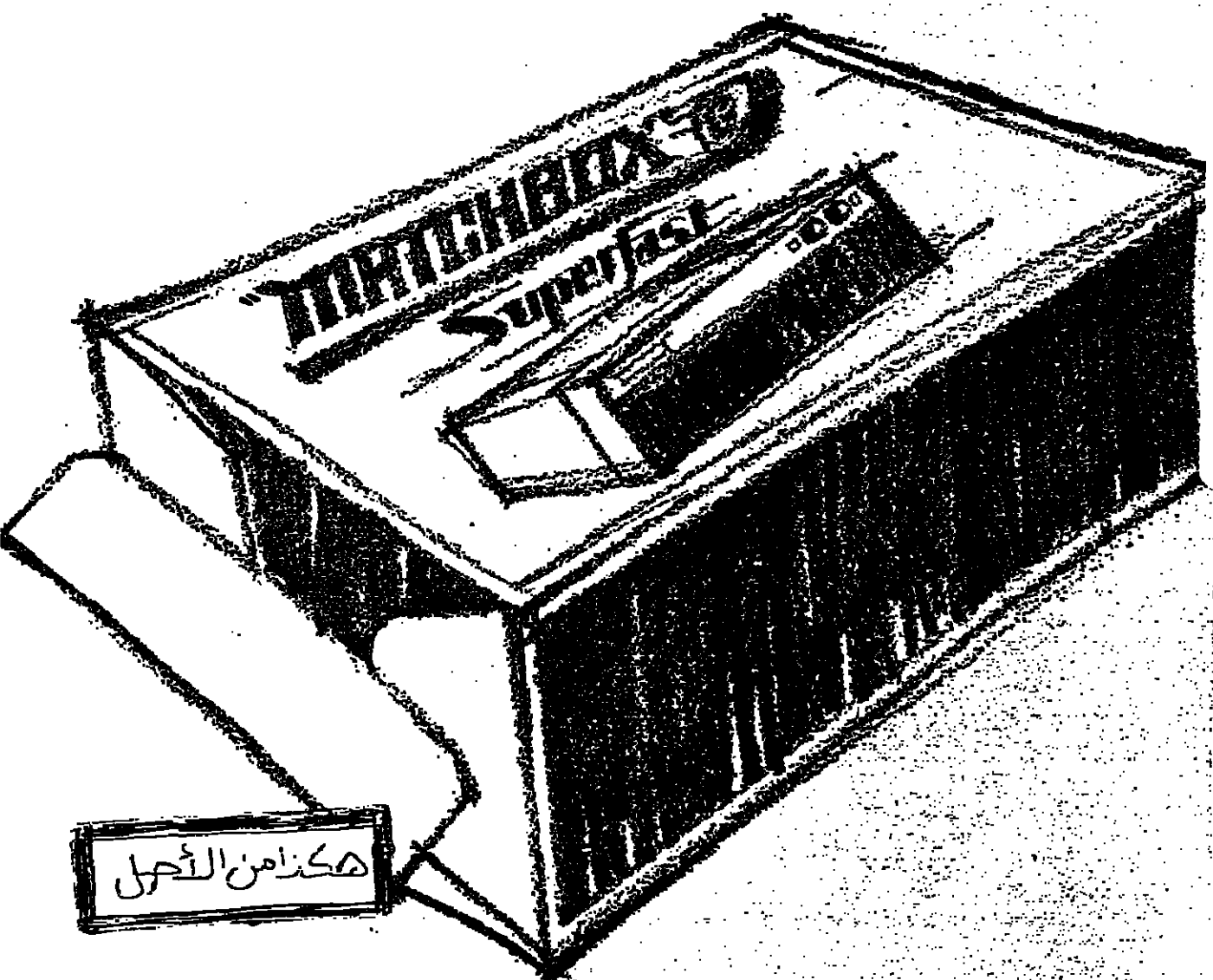
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# Giant computer for University of Manchester

BY TED SCHOETERS

MARRYING THE largest then the world's most powerful machines that Britain and America are producing, the University of Manchester regional computer centre will soon have a massive computing installation to serve universities in the North-West and, at a later stage, other universities such as Belfast and Swansea.

The huge CDC 7600 machine has just arrived in Britain. It has a quoted rental rate higher than any other unit now available in America.

It has gone to the West Gorton factory of International Computers, which has the task of linking this £2m. installation with the largest machine ICL is now building—the £800,000 1906A.

The U.K. machine, which is quite a powerful unit in its own right, will serve as a "slave" to the first computer, handling stored information as well as fast communication links between the Manchester Centre and other universities. This task will take some time, and the linked machines are expected to be ready at site by mid-1972.

## Handling rate

Some idea of the increase in computing capacity the new installation will represent is given by the fact that when Manchester inaugurated the first Atlas computer in 1962, it was

## DRIVERS UNDER THE MICROSCOPE

To help understand motorists' behaviour, Ford, with other major European motor manufacturers, is sponsoring a team of scientific and medical experts in seven European countries.

The scientists will analyse, with laboratory precision, every on-the-spot driving reaction, and draw useful objective conclusions corroborated internationally. The research is being directed by the International Drivers Behaviour Research Association, with Britain's Road Research Laboratory playing a leading role in the first project—overtaking, recognised as one of the most hazardous manoeuvres.

# Guernsey to enforce depositors' protection law from Jan. 1

BY OUR OWN CORRESPONDENT

GUERNSEY, Sept. 27.

GUERNSEY PLANS to bring into force from January 1 the main provisions of its first Protection of Depositors' law, which the Island Parliament accepted in principle over three years ago.

One of the most important effects will be that for the first time Guernsey merchant banks and finance houses will be required by law to publish and circulate audited accounts. Half-yearly unaudited accounts will also have to be issued.

So far, the only part of the law to be applied has been a section—regarded by the authorities as especially urgent—controlling the use of such words as "bank" and "banking" in company names.

## Exemptions

Part 1 of the law, now to be enforced, requires deposit-seeking companies, with certain exemptions, to be registered with the Island's finance committee.

Companies will have to comply with various legal requirements in the auditing and presentation of accounts, disclosure of information to the authorities, depositors and shareholders, advertising, and the law will also apply to Alderney and Sark.

The National Savings Bank, trustee savings banks, and building, friendly or industrial and provident societies will not be affected by the law.

## Jersey parallels

Exempted from local control, apart from the requirement to register, will be any company that satisfies the finance committee that "in the U.K. it would be treated for the purposes of the Protection of Depositors Act, 1963, as a banking company or as a discount company."

# U.K. aiming at big slice of gas tanker upsurge

GAS TRANSPORT may become one of the fastest-growing sectors of shipping in the 1970s and British companies are aiming to win a big share of this market, says the latest issue of "U.K. Shipping News," published by the U.K. Chamber of Shipping and the British Shipping Federation.

British shipping companies at present have 41 liquefied natural gas carriers in service or on order. Their combined tonnage is 803,000 gross tons, of which 730,000 tons are on order—a third of the world total.

## Shell's share

In addition to the 30,000 cubic metres capacity liquefied petroleum gas (LPG) carrier recently launched by P & O, the same

group has a sister ship and a larger vessel—with a capacity of 32,000 cubic metres—on order. An 87,000 cubic metre liquid natural gas (LNG) carrier has also been ordered to be operated by LNG Carriers.

Shell Tankers (U.K.) is building seven gas tankers, each with a capacity of 75,000 cubic metres, and several other British companies have an interest in gas tankers. All are expected to operate between overseas countries and to boost export earnings of British shipping.

Gas carriers are expensive ships to build and Ocean Steam Ship's gas carrier will cost about £30m.—equal to the cost of the QE2 or two 250,000 deadweight ton super tankers.

# Guernsey wants more for publicity

By Our Own Correspondent

GUERNSEY, Sept. 27.

GUERNSEY's tourist committee is to ask the Island Parliament on Wednesday to double its publicity budget to combat "a very real danger of a serious recession in tourist receipts."

The committee wants £90,000 for 1972, against £45,500 this year. The 1972 estimate was reduced from £115,000 "with some reluctance" following discussions with the finance committee.

In a report to MPs, the president of the tourist committee, Mr. Herbert Ozanna, points out that the growth rate of the tourist industry has slowed from an average 6 per cent. per annum in the years 1958-68 to a virtual standstill in the past three years.

He questions whether this year's drop in arrivals about 5 per cent.—was attributable solely to the U.K. postal strike and other temporary factors. Guernsey has "moved from a seller's to a buyer's market," he warns, and is being hit by competition from package holidays abroad.

A 1970 survey showed that tourism brings about £2m. a year into Guernsey.

## BRAZILIAN SUB TO BE LAUNCHED NEXT TUESDAY

The first of two "Oberon-class" diesel-electric submarines to be ordered from Vickers Shipbuilding Group by the Brazilian Navy will be launched at Barrow-in-Furness next Tuesday.

The vessel, to be named Humaita, will be the ninth Brazilian naval vessel to be launched from Barrow since the battleship Sao Paulo was built there in 1909.

Humaita is the 307th submarine to be built at Barrow.

# Power station study of Isle of Wight

BY MICHAEL CASSELL

THE Central Electricity Generating Board is to investigate two possible sites on the Isle of Wight for a gas turbine power station.

It would have a capacity in the region of 150MW—small in relation to some of the Board's major installations—but it would be designed to reduce the island's dependence on power transmissions from the mainland.

Gas turbine stations burn light oil fuel and require chimneys less than half the height of those needed for large-scale units. They do not need cooling water and generally operate for a small number of hours a year to provide a local source of electricity at times of high demand.

The first of the two sites to be investigated is at the existing 35MW Cowes power station, and the second forms an area two miles to the south on the west bank of the River Medina while the 132 KV transmission line is close to the operation. To date, the CEB has 26 gas turbine power stations in operation, 15 of them forming ancillary units to larger installations. A spokesman for the Board said the proposed station for the Isle of Wight could then play an ancillary role in the island's power supply.

The investigations will involve land surveys and the sinking of trial bores. Any proposals adopted would be the subject of further consultation with local authorities involved.

## VOSPER'S CRANES PURCHASE

Vosper Thornycroft has chosen Carruthers overhead cranes for its proposed £1m shipyard extension at Woolston, Southampton.

## ANNUAL STATEMENTS—Continued

## WAGON REPAIRS LIMITED

(Subsidiary Companies: The Bolt & Nut Co. (Tipton) Ltd., Oleo Pneumatics Ltd., Oleo International Holdings Ltd., The Steel Services Co. Ltd., Link 51 Ltd., Gambles Slims (Steel) Ltd., Moresecure Steel Equipment Ltd., Gambles Slims (Metals) Ltd., Sam E. Stevens Ltd., Constructors Ltd. and H. Angie Gesellschaft m.b.H.—85% owned and incorporated in Austria.)

## A CREDITABLE TRADING ACHIEVEMENT

The 53rd annual general meeting of Wagon Repairs Limited was held on September 23 in Birmingham. Mr. E. Duncan Taylor, F.C.A. (the Chairman) presiding.

The following is from the directors' report which embodies the Chairman's Statement:

**Trading Results**  
The group profit before taxation for the year ended 31st March, 1971, amounted to £1,943,337 compared with £1,753,446 in the previous year. After deducting provision for taxation (£756,000) there was a Group Net Profit of £1,187,337 compared with £983,446. To this sum must be added exceptional credits of £58,822 (£23,489) making the amount available for appropriation £1,246,159 (£983,930), from which falls to be deducted a provision by a subsidiary company for staff pensions £10,000; minority interest in subsidiary companies £12,490; dividends (gross) £12,500; interim dividend (gross) £12,500. Ordinary Shares at 4p per share paid 6th March, 1971, £259,076 and proposed final dividend (payable 6th October, 1971) of 6p per share £388,614, leaving £533,289 retained in the business.

**Disposals**  
The Principality Wagon Company Limited ceased trading in October 1967, and has been wound up. A surplus of £32,249 arising on liquidation has been placed to reserve in the accounts of the Parent Company.

**Turnover**  
The turnover attributable to the principal activities of the Group were: Engineering activities including the repair of railway wagons and tanks—Turnover £12,540,000. Profits before taxation £1,764,000. Steel Stockholding—Turnover £2,907,000. Profits before taxation £179,000, giving totals of Turnover of £15,447,000 and Profits before taxation £1,943,000.

**Exports**  
The F.O.B. sales value of goods exported from the United Kingdom was £1,764,133 (1970—£1,536,546).

**Taxation**  
Corporation Tax has been provided at the rate of 40%. Provisions in respect of Taxation including Income Tax on dividends amounts to £1,058,457 or over 54% of the profit for the year.

**Capital Employed**  
Shareholders' funds employed, based on book values, increased during the year by £523,653 to £4,229,905.

The ratio of net profit, before taxation, to shareholders' funds employed at 31st March, 1971, was approximately 44% but this percentage is based on historical sales increased by 40%, and costs and not on present day represented sales to customers.

**Fixed Assets**  
Expenditure during the year on land, buildings, plant and equipment, other than motor vehicles, amounted to £289,273. Net receipts from the disposal of such fixed assets amounted to £27,296.

After allowing for depreciation, investment grants (£64,821) and other adjustments, the book value of the fixed assets of the Group increased by £278,102 to £2,465,568.

At the 31st March, 1971, outstanding commitments and authorisations for further capital expenditure amounted to £148,576.

**Wagon Repairs Limited**  
All Works and Outstations were kept fully and profitably employed during the year ended 31st March, 1971, and our manufacturing plants operated to capacity. Our share of repair work to tank wagons and other types of privately-owned vehicles has continued to expand. Since the end of the Financial Year we have been advised by the British Railways Board that it is their intention to withdraw from main line traffic, during the current calendar year, 74,000 wagons, and that further withdrawals during 1972 are under consideration. As a consequence of these decisions, work will cease to be available at certain Works and Outstations.

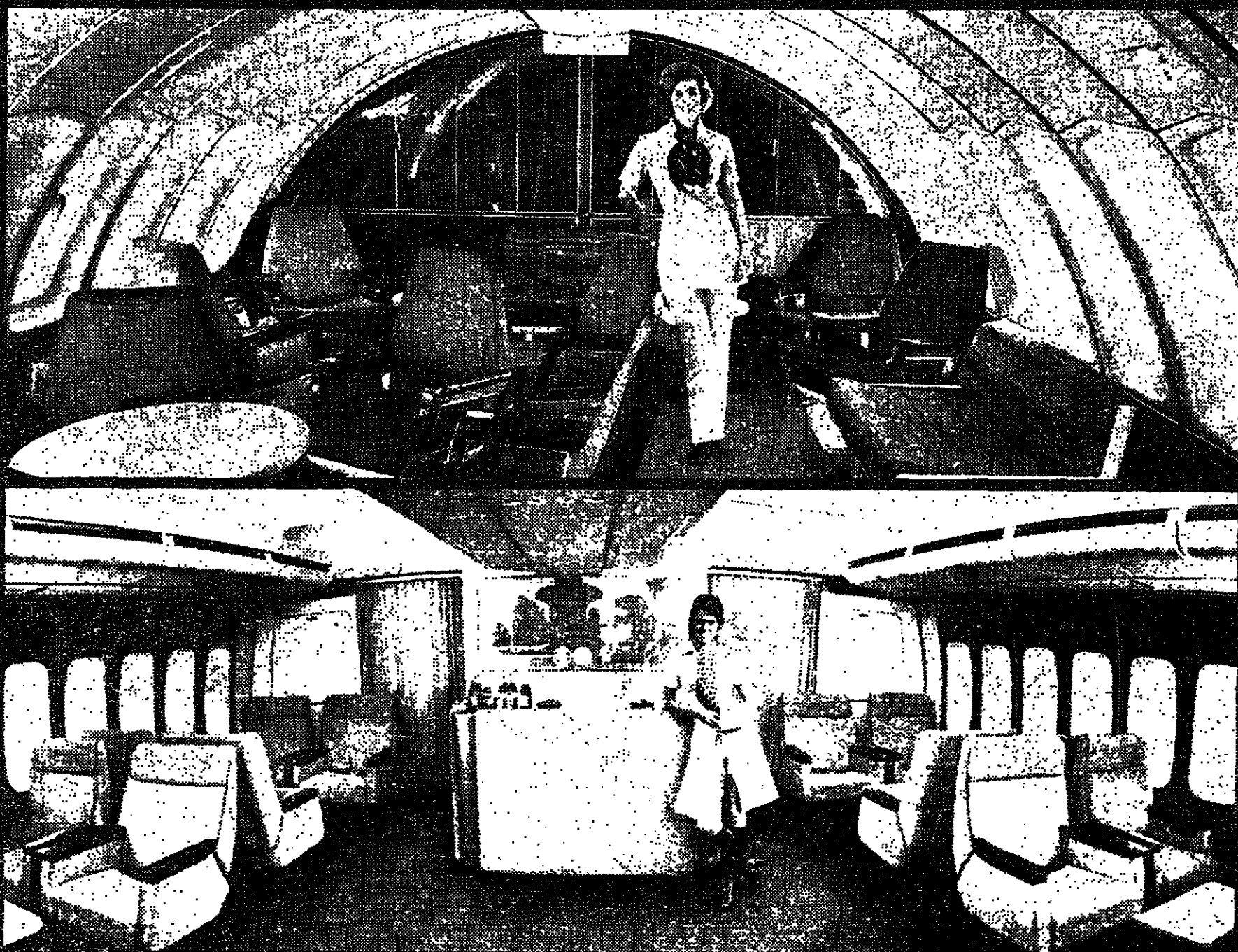
**The Steel Services Company Limited**  
The policy of concentrating this Company's output on the production of special purpose machines and other engineering activities has been justified as increased profits were achieved. The Company has a substantial order book for the current year and we anticipate that further progress will be made.

**Oleo Pneumatics Limited and Oleo International Holdings Limited**  
These recently acquired Companies whose activities closely allied and complementary to those of Wagon Repairs Limited, maintained good progress and had a successful year. We are encouraged by the increase in sales of Pneumatics and special efforts made to extend still further this particular field.

**Thanks to Employees**  
Our achievements of the year could not have been attained without the enthusiasm of our employees and on behalf of the Directors, Managers and the Shareholders I would like to thank them for their operation and endeavours.

The report and accounts were adopted and the final dividend of 6p per share was approved.

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# Growth rate in U.K. oil consumption slows

FINANCIAL TIMES REPORTER

THE RATE of increase in oil consumption in the U.K. declined to 2.8 per cent. during the first six months of this year, according to figures published yesterday by the Institute of Petroleum.

Total inland demand, at 50.2m. tons in the first half of the year, compares with 48.9m. tons in the same period last year, when a growth rate of nearly 6 per cent. was recorded.

## Gas emphasis

Much of the slowdown in the growth rate, according to the Institute, was attributable to the rapid decline in the gas industry's consumption of naphtha to make town gas with the growth in natural gas supplies. Total deliveries of naphtha, which is also used in chemical manufacture, were 4.2m. tons in the period, a fall of 18.3 per cent. compared with the first half of 1970.

Demand for fuel oil, while still strong, however, also seems to be growing less rapidly than in the last year. Total deliveries, at 20.8m. tons, were 6.2 per cent. higher than in the first half of last year and, over the year as a whole, industry expects a rise of around 5 per cent. compared to the extraordinary 14 per cent. increase in 1970.

Demand for petrol showed a remarkable consistency in percentage growth in demand of 5.3 per cent. precisely the same proportionate half-year increase occurred during the first six months of 1970. Figures for 1971 were 7.02m. tons against 6.71m. tons for the same period in 1970.

Yet within this highly impor-

tant market there was one interesting variation in the pattern of deliveries. Although petrols within the four-star grade remained, by far the most popular brands, accounting for 4.53m. tons of the U.K.'s entire motor spirit consumption, there was a marginal decline of 0.2 per cent. in actual deliveries.

This, however, was more than offset by a 22.1 per cent. growth in requirements of petrols in the five-star grade, 14.8 per cent. increase in three-star and 4.5 per cent. in the two-star.

## Scottish bank loans steady

Financial Times Reporter

ADVANCES by Scottish banks were unchanged in the month to September 15, at £653m., while the banks' investments increased by £9.9m. to £268.5m.

The note circulation rose £2.6m. to £156.4m., and deposits £7.7m. to £1,150.7m. Liquid assets expanded £25.1m. to £450.3m., with cash in hand and balances at the Bank of England reduced £1.2m. to £186.6m., but balances with and cheques in course of collection on other banks in the U.K. increased £1.4m. to £24.3m., money at call and short notice £22.5m. to £183.9m., and bills discounted and refinanced credits £3.3m. to £55.5m.

Special deposits of £20.2m. (at mid-August) were paid off, with the changeover to the new system of credit control.

## WINE

# Three interesting wines of Verona

BY EDMUND PENNING-ROWSELL

NOW THAT several of the large wine groups here are taking a close interest in Italian wines, we might as well know what to look for in a field unfamiliar to most of us. Among the better examples are certainly those grown in the neighbourhood of Verona. Although lighter than those of Piedmont they have plenty of character.

Viticulturally the Veronese wines are part of the Veneto, and account for over 90 per cent. of the roughly 10m. hectolitres produced in the large vineyard belt which runs from Lake Garda to the Adriatic, and from the Alpine foothills to the level Po plains. In this region there is nothing of quality to rival the Veronese trio of Soave, Valpolicella and Bardolino.

## Soave white

Indeed, Soave claims to be the best dry white wine of Italy, and it would be difficult to think of a rival, save perhaps dry Orvieto. Produced from the Garganega and Trebbiano grapes, in the proportion of about nine to one, grown on slopes about 12 miles to the south-east of Verona and to the north of the autostrada to Vincenza, Soave is a continental wine. That means it is subject to control of viticultural and production methods.

There are two official zones: Soave Classico and ordinary Soave. The Classico wines are

grown only on the hillsides, and a good deal of the output comes from two large co-operatives, in Soave itself and at Monteforte. In 11 other communes the appellation is only Soave, and there are co-operatives too in this region, while in both zones there are large private growers, many of them big merchants.

Like dry white wines everywhere, a good Soave should be fresh to the taste, not heavy, flavoured. Naturally pale and with a hint of green in the colour, a yellow-looking Soave indicates an old or oxidised bottle. By no means a light wine alcoholically (it is often over 12 degrees), Soave is normally bottled in the summer following the vintage.

A Soave Superiore implies a wine of at least 11.5 degrees, bottled about nine months after the vintage. Recioto di Soave is a sweet wine made from grapes left to dry out in the sun, but is not made in large quantities. On the spot they suggest that a Soave is at its best within three or four years. One cannot expect among Italian white wines the subtleties of those produced north of the Alps, but Soave served cool is an agreeable, full-flavoured wine. Here in Britain one should be able to buy an Italian-bottled example for about 85p to 90p. The best recent vintages were 1967 and 1969.

The most important Veronese red wine is Valpolicella, grown in the north and north-west of the capital. Since 1968 there

have been three delimited areas of controlled production: Valpolicella Classico, reserved for five communes historically forming the heart of the Valpolicella district; simple Valpolicella, which includes the five "classico" communes, as well as 13 others, up to the outskirts of Verona itself; and Valpolicella Valpantina, derived from the attractive valley of that name.

Although some consider the "classico" wines the best, adherents of Valpantina claim that this keeps and ages better. The wine is then fermented right out, and this may be very prolonged, owing to the high sugar content. So a Valpolicella Recioto Amaro should not be drunk for six or seven years, and may easily last 20.

## Not strong

On the spot I sampled a 1960 example with no less than 15 degrees and a full-flavoured Rhone wine style. Owing to the austere-style picking, the small yield of the concentrated grapes and the long maturing period, this is one of the most expensive Italian wines, and can cost up to 2,500 lire a bottle. Thanks to high strength and production costs, this must be a rarity here, but it is not a wine for keeping but goes down very agreeably at three or four years old. The best recent vintage was 1968, but 1967 was good too. This is a wine capable of being imported in bulk, if

demand warrants it, and Peter Dominic de, but most comes in bottle. Dominic sell it for 78p.

For luncheon, the local wine is surely Bardolino, grown on hills overlooking the southern end and eastern shores of Lake Garda. Of the sixteen communes included in the delimited area, the most important are Bardolino, Garda and Lazise. The grape "mix" is similar to Valpolicella, except that provision is made for up to 10 per cent. of Negram grape. The result is a fairly light wine of 10.5 degrees minimum, though it will usually exceed 11.

There are really two types of Bardolino. There is the vino fresco, bottled a few months after the vintage and drunk at once, like young Beaujolais Villages; and there is the riserva, which must have 11.5 degrees of alcohol and a year in wood if it is to claim the title "superiore." The riserva may be up to three years in cask, but is probably better bottled after two years, to maintain freshness.

The "classico" area embraces six villages, including the three principal centres mentioned above. There are two big co-operatives, including one in Bardolino itself, which also produces a dry white wine under the brand name of San Vigilio; acceptable and certainly dry, but less good than Soave. Bardolino is not a wine for keeping but goes down very agreeably at three or four years old. The best recent vintage was 1968. In Britain the wine should cost from 85p to 1fl.

## HOME CONTRACTS

# Costain wins £800,000 Dover Harbour work

Costain Civil Engineering has won a £800,000 contract in the phase 2 development at Dover Harbour Board Eastern Dock. The contract, which is the largest in phase 2, is for the building of No. 3 berth and reclamation work.

Proderitis has won a contract worth nearly £100,000 for corrosion resisting paving on a plastic membrane for use in Phase 2 of an extension building programme being carried out by Sincem for Nypco U.K. at Flixborough, Scunthorpe.

K. E. Millard (Contractors) has won a contract worth £350,000 for 83 flats from Stourbridge Borough Council.

How Group Northern has received an order worth £100,000 for air-conditioning and other mechanical services in a new six-storey office block for Norwich Union Insurance Group at St. Mary-at-Hill, London.

ITT Components Group Europe is to supply thermistors costing over £80,000 to the Post Office.

Tarmac Construction is to build six-storey office block in Wolverhampton under £200,000 contract from the Norwich Union Insurance Group. The work should be completed in Autumn, 1972.

Hepworth Iron Company (Hepworth Ceramics Group), of Hazlehead, Sheffield, has received orders totalling £20,000 to supply automatic telephone systems.

the Mauritius public works department with plain-end vitrified clay pipes and fittings from the company's recently introduced Repsieve system of building drainage.

Hawker Sidelley Dynamics Engineering has won an order worth more than £200,000 from the British Communications Corporation, a member of the Royal group, for Dynastest automatic production test systems.

Carter Refrigeration and Air Conditioning has been awarded a £195,000 contract by EMI Records for air conditioning in its new gramophone record production factory at Hayes, Middlesex.

Hill Brothers Glass Company, a subsidiary of Midland Glass (Holdings), has been awarded a contract worth over £100,000 for aluminium windows and curtain walling for the new St. Katharine by the Tower Hotel, London, which is a phase of the Dockland Redevelopment Scheme.

James Scott and Co. (Electrical Engineers) has been awarded the main electrical installation contract for St. Mungo's High School, Falkirk. The order is from the Stirlingshire County Council and is worth £95,000. The school is scheduled for completion by early 1973.

Fleming Instruments has won a £500,000 Post Office order for electronic testing equipment for automatic telephone systems.

# WADES DEPARTMENTAL STORES LIMITED

HOUSEHOLD FURNISHING RETAILERS AND CHECK TRADERS

RESULTS FOR THE YEAR ENDED	30.4.71	30.4.70
Turnover	5,601,149	4,938,917
Trading Profit	421,774	269,106
Net Profit before Tax*	383,465	260,926
Taxation	163,665	138,165
Profit after Tax	219,800	122,761
Interim Ordinary Dividend (after waivers)	13,480	10,784
Final Ordinary proposed (after waivers)	18,873	16,177
Retained	641,850	435,422
* After increase in provision for unamortised profit	38,309	(8,180)

**DIVIDENDS**  
A Final Dividend of 7% (6%) making a total dividend of 12% (10%) for the year is recommended.

**BONUS ISSUE**  
A 1 for 4 Scrip Issue is also proposed and the Directors expect to maintain the same rate of dividend on the increased capital. The Scrip will be 1 non-voting 'A' Ordinary Share for every 4 Ordinary or 'A' Ordinary Shares held.

**PROSPECTS**  
The turnover for the first 4 months of the current financial year shows a gratifying increase compared with the first 4 months of last year.

## INTERIM STATEMENT

# ENGLISH CALICO LIMITED

Interim Statement

Group results, unaudited, for the six months to 31st July 1971 are as follows:

	1971	1970
£000s	£000s	£000s
SALES to outside customers	77,990	71,770
TRADING PROFIT before interest	4,452	4,072
Royalties—Terylene	38	156
Interest	4,490	4,227
	1,193	1,226
PROFIT BEFORE TAXATION	3,297	3,001
Less: Taxation	1,508	1,498
Minority interests	149	103
	1,557	1,501
PROFIT FOR SHAREHOLDERS	1,640	1,400

A significant improvement in textile activities, particularly U.K. and U.S.A., has been achieved. This has been partially offset by poor results from retail and paper making subsidiaries. The trading profit includes American Thread Co. profit before interest and tax, of £1,456,000 compared with £1,207,000.

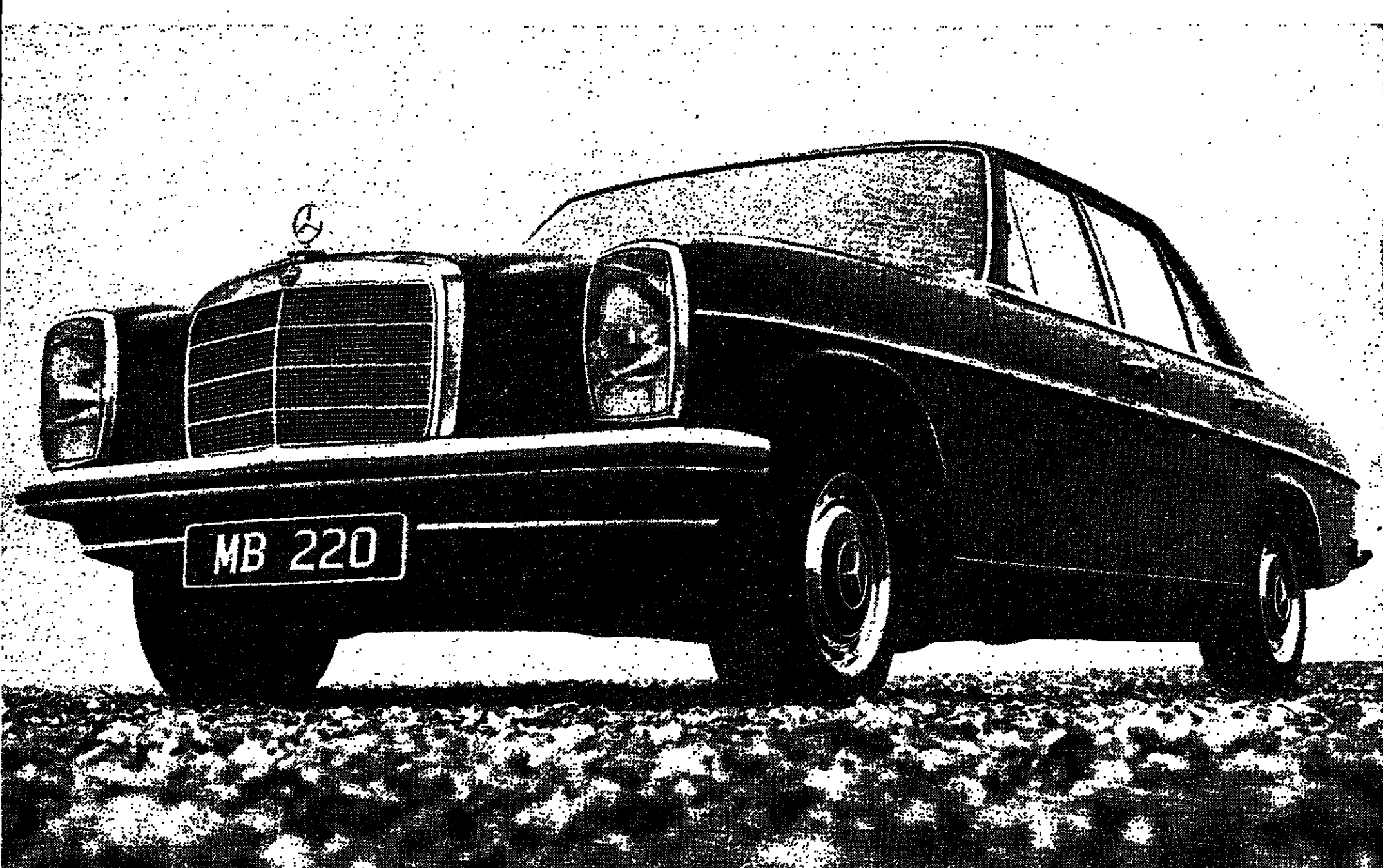
**Dividends (Gross)**

**Preference.**  
Half yearly dividend (£147,000) on 5% Preference Shares will be paid on 30th September 1971.

**Ordinary.**  
Interim dividend of 4% (as for 1970/71) amounting to £1,369,000 was declared by the Board on 27th September 1971 and will be paid on 30th December 1971 to shareholders on the register on 15th November 1971.

56 Oxford Street, Manchester M60 1HL.

Tel: 061-228 1144. 27th September 1971.



Mercedes-Benz 220 2.2 litre, 4 cylinder, 116 bhp. Top speed over 100 mph.

# The more you admire two-litre cars the more you'll appreciate the Mercedes-Benz 220

There are some very good two-litre cars on the road. In this highly competitive sector of the car market, they have to be good. Mercedes-Benz invite you to judge the 220 against that good standard and find that you really do get more. More endurance, for example. More ability to retain first-class condition so that your initial investment is protected by low depreciation. More in every aspect of total car design...

## More Performance

By performance Mercedes-Benz don't just mean 100 mph-plus top speed. They mean performance you can use. What Mercedes-Benz emphasise is the supremely relaxed above-average cruising speeds, whatever the condition of the road surface, and the important extra margin of acceleration, if required, at medium overtaking speeds. The Mercedes-Benz 220 4 cylinder 2.2 litre engine develops 116 bhp SAE with a top speed of 104 mph.

If you want more edge to that performance, take a look at the Mercedes-Benz 250 with a 6 cylinder 2.5 litre engine that develops 146 bhp and a top speed of 112 mph.

## More Comfort

The designers of the 220 and 250 have achieved the spaciousness of larger Mercedes saloons within a more compact body. Seating is orthopaedically shaped to reduce fatigue. Comfort to Mercedes-Benz is never a matter of ornate trappings but of finely calculated lay-out. You have precise finger-tip control over a machine that responds effortlessly. The car does the work. Not you.

## More Reliability

"At 25,000 miles the car is still rattle-free... the engine and transmission are better than new" said one Mercedes owner. Such reactions are typical of men who choose a car that has set engineering standards that others simply cannot afford to follow.

## More Personal Safety

As always, the cost of safety has not daunted Mercedes engineers. No other manufacturer devotes so high a proportion of his turnover to the pursuit of safety. The 220 and 250 combine both

passive and active safety features. Things like individual wheel suspension with anti-dive control, anatomically correct driving position and all-round dual circuit disc-brakes. However, should a collision be unavoidable, the Mercedes-Benz "safety cell" (a rigid passenger compartment with impact absorbing zones front and rear), anti-burst door locks and impact absorbing steering column all help to reduce the possibility of serious injury.

The 220 and 250 are cars that deserve to be tested and talked over with the experts like any other important investment. Your nearest Mercedes-Benz dealer will be ready to do so. Alternatively, write to the address below for a brochure on the 220 or 250 and other cars in the range.

Mercedes-Benz (Great Britain) Ltd.  
Great West Road, Brentford, Middlesex.  
Telephone: 01-560 2151.

For enquiries about tax concession purchase, contact Export Division, Park Lane, London W1.  
Telephone: 01-629 5578



Mercedes-Benz: the end of compromise



# APPOINTMENTS

## Corporate Planning

- ONE of the foremost commercial companies in the United Kingdom is to invite a man of outstanding business achievement to join the Board in London.
- HIS role will be to create and mastermind a comprehensive business planning function.
- THE scale of operation is a turnover escalating beyond £300M.
- THE significance of the appointment demands exceptional experience of organisation and planning at the apex of a complex business.
- SALARY is negotiable—it is unlikely to be less than £20,000.

Write in complete confidence to A. Barker.

JOHN TYZACK & PARTNERS  
LIMITED  
10 HALLAM STREET - LONDON W1N 6DJ

## INTERNATIONAL MONEY BROKERS

have vacancy for a Dealer experienced in \$ CD and/or Currency Deposits. Curriculum Vitae in confidence to The Managing Director, A.2228, Financial Times, 10, Cannon Street, EC4P 4BY.

## CHIEF EXECUTIVE

An interesting and unusual vacancy exists for a chief executive in a lively toy and textile manufacturing company with growing turnover. Sound financial knowledge needed and command of modern business methods essential. Remuneration £5,000 p.a. Apply with full details all previous experience, earnings, age, etc.—Box A.2228, Financial Times, 10, Cannon Street, EC4P 4BY.

## CREDIT ANALYST

International Bank with an extensive network of offices throughout Europe requires a young man with at least 2½ years' experience in Credit Analysis and with a general background of International Banking. Age: 25-30. Knowledge of European languages an advantage, but not a limiting factor. Salary by negotiation, usual fringe benefits. Please write with full details of age, experience, education and salary expected to: Mr. J. C. Clark, Assistant to Manager, AMERICAN EXPRESS INTERNATIONAL BANKING CORPORATION, 25, Abchurch Lane, London EC4P 4BY.

## VALUATIONS SUPERVISOR

Vacancy exists for male or female to supervise and direct a small section dealing with the preparation and co-ordination of investment valuations mostly prepared by a computer service. Previous experience essential. Salary negotiable. Please telephone or write to: Miss D. D. Balls, 930-5466 THE ROYAL TRUST COMPANY OF CANADA, 3 St. James's Square, London, S.W.1 Y4LB

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Good Salaries for Bright Men  
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## APPOINTMENTS WANTED

### MEDIA MANAGER

of a leading Technical Advertising Agency shortly to become redundant, seeks new post. Present position held for fifteen years. Seeks appointment where experience will be most valued. Apply: E. G. Goldsmith, Flat 4, Riverside House, 190/214 Plumstead High Street, Plumstead, S.E.18.

### Young Executive EUROPE

Required to help further develop the distribution of a NATIONAL paper throughout EUROPE. Must be prepared to travel, although the appointment will be based in LONDON.

It will be necessary for the successful applicant to have an adequate knowledge of two or more European languages. Write fully in complete confidence, giving details of career to date. Box A.2224, Financial Times, 10, Cannon Street, EC4P 4BY.

### YOUNG AMERICAN

Vice President of NY Stock Exchange member firm seeks similar permanent career position in London or Europe. Sales and managerial experience and ability extensive. Write Box A.2194, Financial Times, 10, Cannon Street, EC4P 4BY.

A young FINANCIAL CONTROLLER seeks a challenging management position in finance/accountancy. Current international experience with a U.S. bank and a market orientated Scandinavian company. Your suggestions please to Box A.2225, Financial Times, 10, Cannon Street, EC4P 4BY.

## INVESTMENT ANALYST

We are a medium-sized firm of stockbrokers with strong international connections and an established and expanding institutional business.

We wish to strengthen our research department by the addition of a fully trained analyst. He will be encouraged to discuss his ideas directly with our clients.

The ideal candidate will be between 25 and 35, have a University or professional qualification and experience in a major pension fund or life company. The most important attribute is that he be capable of developing his own ideas.

Salary will be fully competitive.

Please apply to D. R. Galloway,  
SPENCER THORNTON & CO.,  
Spenthorn House, 22, Connaught Lane,  
London, EC4R 3TE.

## Loan Documentation Assistant

required by an International Bank in the City. Candidates should have International Banking background and experience in Euro Currency Loans, have passed A.I.B. Part 1 and at least part of Part 2, and have an 'A' level in English or equivalent. The successful candidate will be part of an important team specialising in Loan Administration and Legal Documentation, and should be able, after a period of familiarisation, to work on own initiative without supervision. Please write with full details of age, experience, education and salary expected to:

Mr. J. C. Clark, Assistant to Manager,  
AMERICAN EXPRESS  
INTERNATIONAL BANKING CORPORATION,  
25, Abchurch Lane, London EC4P 4BY.

## INVESTMENT ANALYST

We have a vacancy for an analyst to carry out research work on a defined number of leading companies. He will be directly responsible to a partner. The successful applicant will probably be a graduate of a qualified accountant, have experience of investment work and probably be aged about 25. The salary, plus bonus and fringe benefits, will be commensurate with ability and experience. Applications will be treated in the strictest confidence and should include a curriculum vitae. Please write to K. McC. Reynolds, E. B. SAVORY, MILLIN & CO., Basilston House, Moorgate, London, EC2R 6AQ.

## Banking Division

'We know the profession from within'

We are the only Personnel Consultancy staffed by young, experienced, qualified bankers who are also trained in modern personnel selection techniques. If you are seeking a change and feel that professional assistance might help, telephone our Divisional Director, Norman C. Philpot, on 01-405 3499.

Amongst our more urgent current assignments are the following:—  
**Corporate Finance Executive**  
To £4,000  
Newly-formed but already well-established, City Merchant Bank seeks to appoint an ambitious and capable Executive to its very active Dept. team. Ideally aged 25-30 years, he will possess an Accounting or Legal qualification and be fully experienced in all aspects of Corporate Finance. Refer to Geoffrey Mountford.

**Foreign Exchange Dealers (2)**  
To £2,600  
A prominent Continental and a medium-sized American Bank each require a Junior Dealer to assist with vigorous expansion plans. He should be aged 22-32 and must have at least 1 year's experience of dealing in 5 or major currencies. Excellent prospects for development and promotion to senior status. Refer to George Valentine, A.I.B.

**Assistant to Fund Manager**  
To £2,500  
Exciting opportunity for young man, 21-26, to progress rapidly to Senior Fund Management. Min. 2 years experience in Investment Analysis/Research is required, plus a sound academic background and the ability to deal with Executives at all levels. Refer to John Chiverton, A.I.B.

**Lloyd Executive Selection Ltd.**  
Alliance House, 29/30, High Holborn, London, WC1V 6AZ. (01-405 3499)

## INDUSTRIAL HOLDING COMPANY

whose subsidiaries include a successful public company is developing a Merchant Banking activity. Applications are invited for the position of Manager and Director of the Merchant Bank which hopes to have clearing house facilities. Applicants should state age, details of financial experience and their acquaintance with city institutions and some information indicating the level of responsibility which they presently hold. The Company is willing to sustain a total commencing emolument expenditure of between £4,000 and £6,000 per annum.

Applications should indicate whether they would be willing to reside either part time or full time in a major city outside London during the first two years of employment and subsequently in London. Applications will be passed on in confidence only to the Managing Director and Chairman. Write Box A.2230 Financial Times, 10, Cannon Street, EC4P 4BY.

## LOOKING FOR A BI-LINGUAL SECRETARY

We specialise in providing Secretarial, Interpreting and Translating staff with linguistic abilities matched accurately to clients' needs.

**Multilingual Services**  
22 Chancery Lane, London WC2E 7LT. Tel: 01-836 3794

**STOCKBROKERS CLERKS**  
Permanent positions available for experienced Transfer, Ledger, Dividend and Settlement Clerks. Good salary plus lunch and pension. EVANS EMPLOYMENT AGENCY, 15 Capital Avenue, E.C.2. 626-0985.

## STOCKBROKERS

Expanding small firm requires responsible clerk aged about 25 to 30 with good all-round Stock Exchange experience. Good salary negotiable according to ability. Write Box A.2224, Financial Times, 10, Cannon Street, EC4P 4BY.

**BANKING APPOINTMENTS.** The specialist consultancy for banks at all levels. (Japs. confidential) 538 7222 (10 lines). DIVISION 5328 Stockbrokers require jobbers ledger clerk, good salary with usual benefits. Write Box A.2233, Financial Times, 10, Cannon Street, EC4P 4BY. CHARTERED ACCOUNTANTS (28) seek an attractive full time position, 10 companies please. Write Box A.2226, Financial Times, 10, Cannon Street, EC4P 4BY.

**APPOINTMENTS APPEAR EVERY TUESDAY WEDNESDAY THURSDAY AND FRIDAY RATE £13 PER SINGLE COLUMN INCH**

## INTERNATIONAL BANKING A Major American Bank

is seeking to appoint an additional Loan Officer at its well established London Branch. After a period of familiarisation this appointment will carry responsibility for the development of new business by active customer or potential customer contact, the negotiation of credit facilities and subsequent control thereof and effective servicing of customers' requirements. This will be a board appointment and will not necessarily confine service to the London Branch. Candidates should therefore be willing to travel or even relocate if required.

Candidates, probably aged between 30 and 35 must be graduates and/or hold a professional qualification in banking, or possibly accountancy. A thorough knowledge of balance sheet analysis and sound experience in lending, preferably on a term basis in substantial figures, is essential. Candidates should be committed to international banking and fully accept the concept of marketing as an aid to developing banking business.

Salary negotiable with profit sharing and other generous benefits. Write Box A.2220, Financial Times, 10, Cannon Street, EC4P 4BY, enclosing full background information including details of present responsibilities and salary.

## REFRIGERATION ENGINEER

The Food and Agriculture Organisation of the United Nations has a vacancy for a Refrigeration Engineer to undertake a two year assignment in Iran. The man we are seeking will be based in Tehran as a member of a team of experts assisting the Iranian Government in a number of fields related to the marketing and distribution of perishable commodities. The successful candidate will probably have a university degree in Engineering and will have had several years' experience in both the engineering and management aspects of large commercial cold storage and transport operations. Overseas experience and a proven ability to adapt to living conditions in a foreign country would be an advantage. F&O offer a generous tax-free salary with numerous fringe benefits including local cost of living adjustment, assistance in the costs of local and international travel, and assistance with educational costs for the staff members' children, liberal leave, etc. Replies in confidence should be addressed to:—

Mr. T. Chabot  
Personnel Officer  
Agricultural Services Division  
Food and Agriculture Organisation of the United Nations  
Via delle Terme di Caracalla  
00100 ROME  
ITALY

## WILLIAMS DE BROE HILL CHAPLIN & CO.

### RESEARCH DEPARTMENT

Vacancies exist for 2 junior analysts to work on U.K. equities. Candidates will probably have experience already in analysing U.K. shares. The work initially will be varied, but opportunities for specialisation will occur. The prospects are excellent. Salary offered will depend upon age, experience and qualifications but will be competitive. Applications, stating previous experience and qualifications, should be sent to Mr. G. J. Dennis, Williams de Broe Hill Chaplin & Co., G.P.O. Box 515, Pinners Hall, Austin Friars, E.C.2.

## EXPERIENCED STOCK EXCHANGE CLERKS

We have excellent openings for Mid and Senior Staff.  
Call in confidence.  
**S.E. CLERKS' PROVIDENT FUND**  
14, Austin Friars, E.C.2.  
Tel. 01-588 3015.

## LEADING STOCKBROKERS

have vacancy in their leading clerk, to assist in handling telephone orders and enquiries, etc. Some share experience, salary according to experience. Bonus £1,500 and 10% commission. Write Box A.2229, Financial Times, 10, Cannon Street, EC4P 4BY.

## COMPANY NOTICES

### ROAN CONSOLIDATED MINES LIMITED (Incorporated in Zambia)

**NOTICE TO SHAREHOLDERS**  
DIVIDEND  
The directors of Roan Consolidated Mines Limited have declared the fourth quarterly dividend (No. 51) of £0.12 per share, equivalent to K0.065 per after tax, for the financial year ended June 30, 1971. The dividend will be payable on or about October 28, 1971, to members registered in the company's books of account as of October 4, 1971. This dividend comprises a dividend of £0.10 per share and a bonus of £0.02 per share equivalent to K0.01 per share. The lower dividend for the quarter is due to the fact that the company has decided to pay a dividend of £0.10 per share and to heavy capital expenditure programme. The dividend is payable in cash or by cheque to the order of the shareholder or to the order of the company's bank account in Zambia. The dividend is payable in cash or by cheque to the order of the shareholder or to the order of the company's bank account in Zambia. The dividend is payable in cash or by cheque to the order of the shareholder or to the order of the company's bank account in Zambia.

**MECCANO TRI-ANG LIMITED**  
(In Voluntary Liquidation)  
NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the Chartered Insurance Institute, 20 Abchurch Lane, London, E.C.4, on Wednesday the 28th day of September, 1971, at 2.30 p.m. for the purposes mentioned in sections 294 and 295 of the said Act. Dated this 24th day of September, 1971. By Order of the Board. G. R. EYDER, 125 High Street, Croydon, C.R.9 2TH, 27th September, 1971.

**NOTICE IS HEREBY GIVEN,** pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the Chartered Insurance Institute, 20 Abchurch Lane, London, E.C.4, on Wednesday the 28th day of September, 1971, at 2.30 p.m. for the purposes mentioned in sections 294 and 295 of the said Act. Dated this 24th day of September, 1971. By Order of the Board. G. R. EYDER, 125 High Street, Croydon, C.R.9 2TH, 27th September, 1971.

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## GROUP MANAGING DIRECTOR

for a well known manufacturing and retail trading Company. The Company's prestige products are well known both nationally and overseas. The Group Managing Director will be answerable to the Holding Company Board (of which he will be the Chief Executive) for the profitability, co-ordination, expansion, and future growth prospects of the subsidiary Companies within the Group. This is an exciting appointment, requiring considerable managerial and commercial flair, coupled with successful profitability experience gained in a dynamic environment. Experience gained in the clothing and/or associated industries would be an added advantage. Basic salary will be high, with added profit participation. Reference: 30001/FT (C. J. Duncan).

All letters will be treated in strictest confidence and should be addressed to the consultant quoting the reference number.

**AIC Executive Selection Division**  
187 KNIGHTSBRIDGE - LONDON SW7 1RN

## MANAGEMENT CONSULTANT

A Management Consultant, with Merchandising, Marketing and Sales bias, is required to extend the team in this growing practice. Age preferred late thirties, with proper training and experience in true Management Consultancy. Remuneration and benefits at the appropriate levels.

Please send brief details of person and career in the first instance to The Chairman,

Marksman Associates (CM)

The Old Bank House, Thames Street, Windsor, Berks.

## INVESTMENT ANALYSTS REQUIRED IN BIRMINGHAM

Birmingham Stockbrokers require both a senior and a junior analyst for their expanding Research Department. Applicants should preferably have had previous experience and/or professional qualification, and be able to accept responsibility for company and sector forecasting with the minimum of supervision. The work will involve regular visits to companies and will require the personality to be able to maintain and develop contacts both in industry and among institutional clients. The ability to write interesting and concise reports is essential. For further details please write to: The Senior Partner, Albert E. Sharp & Co., Edmund House, 12 Newhall Street, Birmingham, B5 5ER.

## BUSINESS OPPORTUNITIES

### SHIPPING & FORWARDING AGENTS

We are medium sized firm Forwarding Agents with modern offices and are interested in purchasing outright or merging small to medium sized businesses. We are looking for a business group or family concern (estb. over 20 yrs.) as part of our Management team, there is no limit to future prospects. Write Box B.596, Financial Times, 10, Cannon Street, EC4P 4BY.

### YOUR OWN OFFICE IN NEW YORK FOR A FEW PER DAY

Business Services International provide member clients with a operational office, year round, a secretary assigned to a company's accounts. Additional private offices, Board room, Conference rooms will be available to your executives on arrival. And to make your New York office complete, your company will be listed in the Telephone Building Directories. Details from: Len Myers, Business Services International, 47 Old Cranborne Street, London, W1X 2 (01-485 8891).

### BODIES WITH NO ABORE

TRADE ASSOCIATION with excellent offices in West End of London is looking for another association group or Society with whom to share its management, accommodation and services. Management is in hands of capable administrator with wide PR experience. Merely lending of accommodation is of no interest. Please telephone Director: 01-486 2337.

### PURCHASING EXPERIENCE WANTED

In order to market the very best of our products, we need a purchasing manager with experience in the purchase of raw materials, sub-contract engineers, etc. We offer a substantial commission and a very attractive location. The service provided is highly technical and complex. Write Box B.597, Financial Times, 10, Cannon Street, EC4P 4BY.

### EMPLOYMENT AGENCY

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## CONFERENCES

Meeting the tides of 'Consumerism' and Japanese competition

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TUESDAY SEPTEMBER 28 1971

## Banks all set to lend

THE September return of the clearing banks reinforces three tendencies that were already apparent. First, there has been a further rise in deposits, due partly to a rising Exchequer deficit and partly to a continuing inflow of funds from abroad. Secondly there has been a relatively sharp jump in advances, at least half of which is accounted for by loans to personal borrowers. The quarterly analysis of advances had already demonstrated the success of the banks in expanding this side of their business; what is not known at present, and is of some importance for deciding what is happening to personal consumption, is how much of the increase in advances represents new lending and how much a transfer from other, more expensive forms. Thirdly, the banks are well placed to step up their advances still further. Their liquidity has been slightly reduced as a result of the operation in which they were repaid the special deposits and subscribed for Government stock, but the ratio of eligible reserve assets to deposits, which must not fall below 121 per cent., is around 16 per cent.

### New era

These are the opening conditions for the new era of credit control which starts on Friday, when the banks are to begin quoting individual rates for deposits and advances. It will be surprising if some new schemes are not announced, aimed particularly at the personal borrowers who were most handicapped under the old system of control and have been paying such high rates outside the banking system that the banks hope to charge less and still do well out of them. But even on the advances side, the account it would probably be wrong to expect a sudden and dramatic change, if only because the banks have been advertising their eagerness to lend, and lend for longer periods, for some months past. Competition between them on

rates is as likely to concentrate on the margin charged over base rate for particular loans as on the base rates themselves. On the deposit side of the account, immediate change is even less probable. There may well be a strong increase in competition from U.S. banks in the wholesale market, where large sums are deposited for fixed periods at rates which already differ. So far as the ordinary depositor is concerned, however, the attitude of the banks may well be coloured by the fact that they are not at present short of deposits, that a large proportion of their deposits bear no interest at all, and that competition on rates paid to depositors would push up all their costs.

### Competition

The new system has been introduced at this time, however, just because there is a good deal of slack in the economy and scope for experiment. The immediate results of the change are of less importance than the long-term consequences, which are likely to be far-reaching. Freer competition, a natural corollary to the publication of true profit figures, can be expected to increase efficiency and produce a better banking service for the public. But two points will have to be watched carefully. The test of the new system from the point of view of credit control will come when the authorities are seeking to be restrictive and have to rely, instead of ceilings and requests, on a flat call for special deposits combined with a willingness to see the price of Government stocks fall sharply. The effectiveness of the new system in promoting competition and efficiency cannot be judged until enough time has passed to see how it affects other financial institutions. It is not because the banks have been in an incoherent state that the Monetary Commission, which once, and lend for longer periods, for some months past. Competition between them on

## London fares and the CBI

IF considerations of transport policy were the only issues raised by London Transport's request to the Greater London Council for permission to raise bus and Underground rail fares early next year, then the matter would probably not be all that hard to resolve. Since the GLC assumed financial responsibility for London Transport at the beginning of 1970, it has maintained a clear distinction between paying general subsidies for fares and providing grants for capital expenditure.

The capital grants the GLC makes—£2m. last year and £5m. this year—go some way towards easing London Transport's financial problems. Together with similar grants from the Government and London Transport's own self-generated funds, they have been enough to finance almost the whole of the organisation's new investment. Outside loans are now raised only for projects—such as the Heathrow Tube extension—which are clearly able to pay for themselves. This policy, together with the write-off of London Transport's entire capital debt at the time of the GLC takeover, has meant that bus and Tube fares are virtually completely relieved of the burden of interest charges.

### Discipline

In contrast, the GLC has consistently rejected the idea that fares should be directly subsidised by revenue contributions from the rates. Both the GLC and London Transport fear the effect of a general subsidy upon financial discipline. In any case, such a subsidy would have to be progressively increased if it was to be anything other than a short-term palliative. Instead, the GLC has instructed London Transport to aim for a £2m. surplus, after depreciation, each year; since this is less than two per cent. of turnover, it is really no more than a margin against unforeseen contingencies. Last year, mainly because of the substantial fares increase of August 1970, London Transport managed to achieve a £3.7m. surplus. This year, with costs rising rapidly, the surplus is expected to be very tiny; next year, in the absence of a further fares

### Restraint

If these were the only considerations at the present time, the GLC would have little difficulty in deciding its reaction to London Transport's fares proposal. But the new factor for this occasion is the CBI's attempt—with Ministerial support—to get a year of voluntary price restraint. Tube and bus fares undoubtedly have an influence upon trade union pay claims; in any case, the increase needed by London Transport is a good deal more than the CBI's suggested maximum of 5 per cent.

The GLC's dilemma is almost on a par with that of the Government in its current round of discussions with those nationalised industries—notably the railways, steel, the Post Office, and perhaps also gas and electricity—which are either already losing money or which risk doing so by forgoing price rises until mid-1972. These, too, are all highly sensitive sectors. It would clearly be an advantage for the GLC to know what arrangements the Government has in mind for the industries Whitehall sponsors before having to make up its own mind on the right course of action in the case of London Transport.

THE BRITISH Foreign Office, acting with unusual frankness, has made it quite plain that all the 105 expelled Soviet diplomats and officials were spies. Their principal interest was said to be the acquisition of confidential and secret industrial information from the West and their efforts, it was pointed out, were especially dangerous not only because they were governmentally organised, were carried out on a vast scale, and involved the use of ruthless techniques, but because significant damage could be inflicted on Western economic interests—including export prospects.

## The scope for more spying

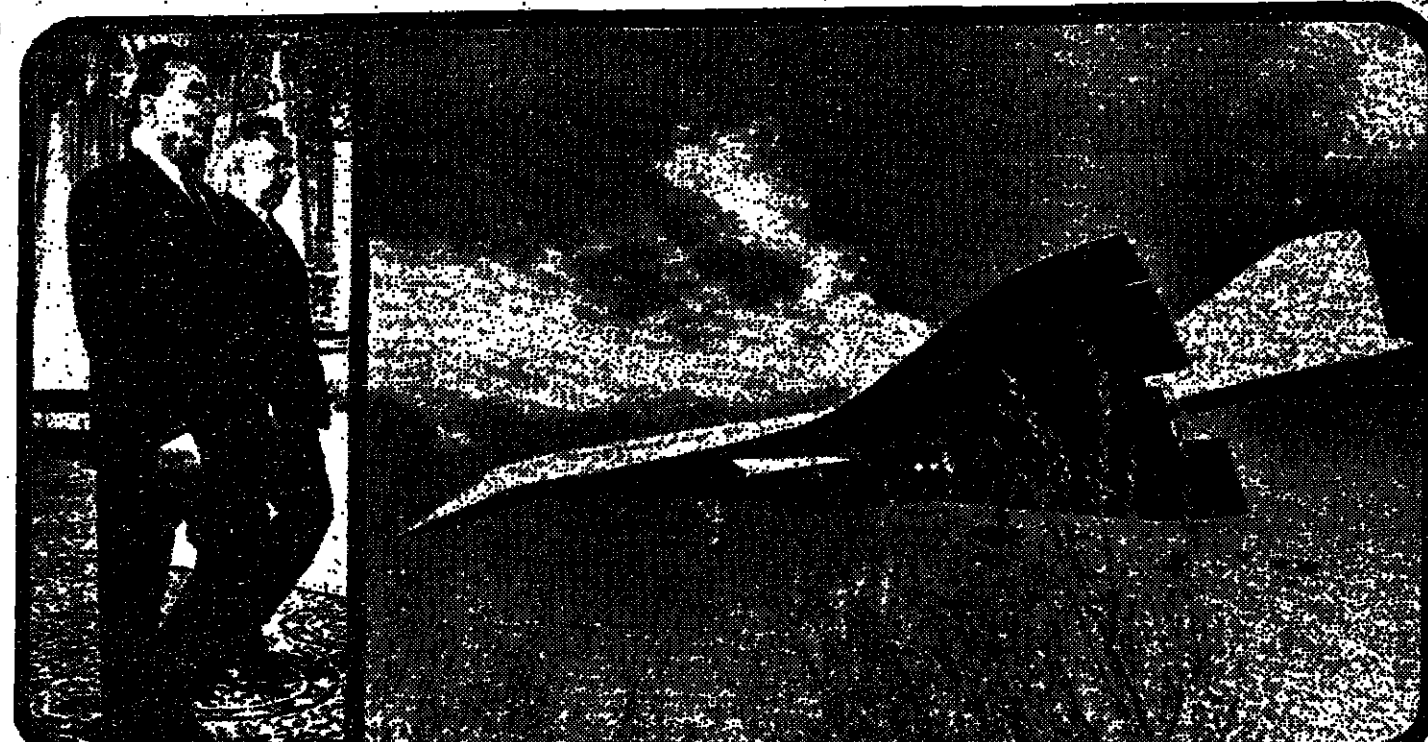
What has not been made quite so clear—partly because at this stage, it just cannot be done—is the scope that still exists for such efforts to be continued. How big is the Soviet intelligence team that will be left behind in this country? How many are there in other parts of Western Europe, and in the U.S.? How many such people are continuing their work from other top-heavy East European embassies?

It is doubtful whether any one man, even if he has more than his fair share of shrewd ideas, could answer these questions. The Comecon area of Eastern Europe has until very recently proved notoriously backward at integrating and co-ordinating its work, so that even last week's defecting KGB officer from Moscow—said by sources there to be a one-star general and one of the service's top dozen men—would not possess the all-embracing knowledge to destroy such a big network.

But an attempt can be made to answer another key question. This concerns the motivation of the Scientific and Technical Directorate of the KGB, in whose hands lies the main responsibility for industrial espionage. This organisation, more than any other, would have knowledge of the shortcomings of the Soviet economy, and particularly those connected with the so-called technology "gap" between the Soviet Union and the West.

Of course, assuming that the right people have been ordered to go home, this technology gap may grow that little bit wider. But industrial espionage will certainly go on. It is still cheaper for the Russians and their East European allies to "acquire" detailed knowledge of the workings of this or that plant, than to have to import, with a limited stock of available hard currencies, the plant itself.

At the same time, the Soviet search for sophisticated technology at official level will continue. This search is conducted under the auspices of bi-lateral



Left: Mr. Brezhnev, the Soviet Party leader, and Mr. Kosygin, the Soviet Premier. Right: Russia's TU-144 supersonic airliner which resembles, uncannily, the Anglo-French Concorde—aviation, as with defence, is one field in which the Russians are determined to keep up with the West.

agreements, often at government-to-government level, which provide the machinery for the setting-up of working groups to discuss, in London or in Moscow, agreed areas where there might be a mutually advantageous exchange of technological ideas.

Among some Western governments there has been a measure of disenchantment with the real usefulness of such agreements. Britain, for one, is known to be rather circumspect about the Industrial Co-operation Agreement with the Russians, signed early in 1968 when Mr. Wedgwood Benn was Minister for Technology. The dozen or so working groups meeting under this Agreement have met with varying degrees of success, but the level of British exports to the Soviet Union has virtually stagnated since it came into force and export promotion was a major reason for Britain participating.

So far as Britain is concerned, there has been a lot of give in some of the groups and very little take. For this reason, the effectiveness of the Agreement is likely to be closely scrutinised when the next session of the Anglo-Soviet Inter-Governmental Commission for Technology and Trade takes place early next year in Moscow.

## The Kremlin's determination

Similar agreements to that concluded with Britain have been signed by the Russians with almost every advanced country in Western Europe, as well as with Japan and Canada. More, indeed, have been concluded in the last year or so than were signed in the whole of the post-1917 era. They are

consistent with Lenin's belief that no bones should be made about "unlimited business relations" with the capitalist area—so long, of course, as these relations were profitable to the Soviet Union.

Stalin, when he took over from Lenin, launched the country's major industrialisation programme, not hesitating to draw upon the service of "bourgeois specialists" where they might assist development. Both he and Lenin, one fancies, would have blessed the current work of the USSR State Committee for Science and Technology, to say nothing of its "arm" in the KGB.

In recent years the preoccupations of the Kremlin leadership with what Russians call "the scientific and technical revolution" have grown very perceptibly. Despite the fact that well over 50 per cent of Soviet imports from Western Europe have been in machinery and equipment (amounting, at present, to some \$1,000m. a year), there has been an apparently unstoppable flow of exhortations and decrees, from the leadership to all branches of industry, to innovate and modernise at all costs, though preferably at as little cost as possible.

Pravda and Izvestia, the Party and Government newspapers, have not hesitated—ever since the introduction of the economic reform programme of Mr. Kosygin, the Prime Minister, in 1965—to hammer home the message that "technical progress" is the most important means of achieving economic progress.

Mr. Brezhnev, the Party leader, has declared in speeches to the workers that "the widespread implementation of the

latest scientific and technical achievements" was important politically as well as economically. Technological progress, he has said, is "one of the main fronts" in the battle between Communists and capitalists.

For all this the technology "gap," as many Russians reluctantly admit, is still there. Soviet managers tend to be conservative-minded men who have reached the top only after playing safe politically in difficult situations: their main concern remains the production quota and making the best use of the resources they can get to that end. The reform programme, as a slowing in the growth rates showed, did not have the galvanising effect that Mr. Kosygin sought.

## Russia's defence expenditure

The best qualified technicians, like the best technology and, on Mr. Kosygin's own admission, 25 per cent of the nation's resources, are involved in the Soviet defence effort. Thus it is probably in the military field that the Russians are conceivably running level with, or are sometimes ahead of, the West. Espionage activities in this field—searching, say, for details of the electronic equipment used in Western military aircraft, underwater missiles and anti-submarine warfare—tend to be conducted not so much with a view to copying what the West has done as to devising effective counter-measures.

Defence is one field where the Russians are, in many more senses than one, on the international alert. Another is avia-

tion, and it is in this field that they hope to make significant inroads into international markets with the TU-144 supersonic airliner. This flew at the end of 1968, some months ahead of its direct rival—which it resembles uncannily—the Anglo-French Concorde. The TU-144 is planned to enter service in 1973, again ahead of Concorde, though Western observers feel the Russians are pushing technical problems it will be a year later. Even so, "Concorde" is a notable exception to the general trend by which the Soviet Union has been consistently behind the West in producing new civil jet airliners, though it has been said that the Russians had some knowledge of the early work done on Concorde's design which led, in turn, to the "shape definition" of the TU-144.

Most significantly, the Soviets have lagged behind the West in electronics and automation techniques. Three years or so ago, Mr. Kosygin was saying Soviet computers were "scarce and sometimes failed to meet the required standards." A little earlier, five years of research and development on the Ural-4 computer was halted when it was found the machine was already obsolescent.

With the newly started Five-Year Plan, the aim is to computerise production at maximum possible speed. An original target of 30,000 computers in production by 1975 would, however, still leave the Russians well behind the Americans both in numbers of computers and in technological standards. The lag behind the U.S. is now seen as between three to 12 years, depending on the type of computer. The Foreign Office in

London last Friday gave electronics, computer circuits, and related equipment as among the specific targets of the KGB Directorate.

Western technology also tends to be superior to that of the Russians in mass production techniques. In this sector, the shortcomings must be very apparent to a leadership which, prompted in part by the dissatisfied rioters in Poland last December, has committed itself to raising the country's standard of living. Earlier attempts in this direction have been acknowledged failures.

Many years were spent developing a Russian "Mini" (the Zaporozhets), but it was found to be manifestly uncompetitive compared with small French, Italian or West German cars. The losses were said to be "huge" on this project alone. It is the massive plant erected in co-operation with the Italian Fiat Motor Company that has given the Soviet motorist his biggest hope yet of becoming a car owner.

Similarly, it is the importance of chemical and petro-chemical plant from the West, and the licences and know-how to produce synthetic fibres and plastics, that will go a long way, albeit indirectly, to meeting urgent Soviet consumer needs.

## Patents and licences

These are areas where the "gap" is most marked. In others the Russians have made their own unique mark internationally, selling patents and licences in, for instance, blast furnace technology and the design of large helicopters. Last year a list of 35 processes available for licensing from the USSR was published in this country, covering everything from the production of glass plastics to fish canning, and from the manufacture of toothbrushes to sprockets to ways of making vodka.

This said, machinery accounts for only a very small percentage of Soviet exports, and Licensing, formed over nine years ago to promote two-way trade in licences and know-how (with a London office in the Trade Delegation building in Highgate), admits there has been no attempt to balance this trade.

The Soviet Union, as the KGB well knows, is a closed society and one reason for the technology "gap" is that its scientists and technologists cannot exchange ideas freely with their opposite numbers in the West. Voracious reading of available Western technical literature could doubtless meet many of the KGB's needs, but not all of them. And the KGB, like the Kremlin hierarchy it serves, cannot afford to see the Soviet Union becoming, as a number of its intellectuals see it becoming, "a raw material supply appendage of Europe."

## MEN AND MATTERS

### Mirror, mirror on the wall...

How do you meet the challenge of redundancy? What Mr. Allan Chapman and his colleagues did, after being made redundant from three years ago from their company making period-style reproduction mirrors, was to set up their own business, making period-style reproduction mirrors. Now their company, Reflectwell, has passed its first major milestone, gaining financial backing from the Industrial and Commercial Finance Corporation to buy up its principal glass supplier, Perry and Sons. This will take Reflectwell to a turnover of £150,000 and 25 employees, to a turnover of £400,000 and 95 employees, and is, they hope, the first of several acquisitions that may lead to going public about 1975.

Chapman, formerly a management consultant and now 48, was managing director of B. Attewell, a subsidiary of Pillar Holdings, which was by turning round from a loss-making position. Then Pillar decided to liquidate the subsidiary, and Chapman had a choice of another job in Pillar, or redundancy money. Seeing a chance to accumulate capital, he left, and along with the 3-man sales team of Attewell, also redundant, set up Reflectwell on the £3,000 redundancy money that the 4 men got between them. They then took on most of the labour force (also redundant) of the Attewell company. Pillar then changed its mind and sold Attewell, so that for a while Chapman and colleagues were in direct competition with what remained of their former incarnation.

"In our first year we made a horrendous loss; in our second

we broke even; in our third we recouped the loss of the first year and showed we were profitable," says Chapman, now Reflectwell's managing director. "We carved out a nice share of the quality end of the mirror market, and Perry now gives us capacity for expanding in reproduction furniture as well." His three co-directors are out "on the road" still selling the product, and at Board meetings, they take it in turns to be chairmen. Meanwhile, the old Attewell company finally did go into liquidation under its new owners, and Pillar itself was taken over by Rio Tinto-Zinc. A moral tale.



"Do you think they know something we don't know?"

### Life with father

What is it about the directors of employers' organisations that makes their children work for trade unions? An interesting question, in view of the fact that Mrs. Diana Jeuda, Labour

candidate in the Macclesfield by-election this week and a research officer at USDAW, the shopworkers' union, is the daughter of Mr. Martin Jukes, director-general of the Engineering Employers' Federation. If Mrs. Jeuda gets her 9 per cent swing and is elected, it should produce interesting family conversations about the Industrial Relations Bill, which Labour is pledged to repeal, but which the engineering employers favour. Similar discussions no doubt take place in the Adamson household, where Mr. Campbell Adamson is director-general of the Confederation of British Industry, and his son, Mr. Christopher Adamson, works for the General and Municipal Workers union.

### Caught on the Act

A doleful letter from Mr. Percy Livingstone, the Variety Club's Chief Barker, has gone to the children's charities it supports, telling them of "drastically curtailed" support in future. He is not exaggerating. The amount that the Club looks like losing, due to prosecutions under the Betting, Gaming and Lotteries Act, is around £300,000 a year. What has happened is that the Club has been reported for infringing certain technical requirements of the Act, and the police, as Livingstone puts it, "have been forced to take action."

Forced is probably a good word, for the Police Department's Fund is one of the Club's beneficiaries, and has received about £1m. from it. But prosecutions are no joke, and at the second of them, three months ago, Livingstone himself was summoned to Court (though dismissed from the case), a Club employee was fined £50, and a

strong warning against running any more sweepstakes or raffles was handed out by the magistrate.

Mr. Eric Morley of Mecca, who runs the Derby Sweep for the Club, says bluntly that "99 out of 100 lotteries are illegally run." The main stumbling blocks, he says, are that raffles should be for members only; that tickets, or letters asking you to buy tickets, should not be sent through the post; and that there should be no advertising. Whitehall is studying the question, and new legislation is likely, but not for a few years. In the meantime the Variety Club, which raises around £1m. a year for charity—£300,000 of it from the Derby Sweep, a motor-car raffle and another sweep on its race meeting at Sandown Park—has only one hope.

Morley says it has MPs of all parties ready to put forward an amendment to the present (1963) Act. The technical infringements the Club has been caught on apply to lotteries under Section 44, but not under Section 45 of the Act. The trouble with Section 45 is that it puts a limit of £100 on the first prize, £750 on the total prizes and 5p on the price of each ticket. Morley wants to see the limits raised to £25,000, £250,000 and £1. But getting the amendment means winning another lottery, the MPs draw for Private Members' Bills.

### Clean bill?

The laundry list of the Sapporo Park Hotel, Japan, asks you to take everything out of the pockets before sending clothes to be laundered, and adds, "Please tell us precocious articles like a synthetic fiber."

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# CONTAINERS

The International Freight Show  
—INTERFREIGHT 71—opens at  
Earls Court, London, to-day and  
continues until Friday

## Now a major industry

By RAY DAFTER

Containerisation has long outgrown its infancy when the world at large referred to the logical change-over to unitised cargo as a "revolution." In just six years containers have become established as the accepted mode of transport on many European and worldwide routes, initiating an industry of their own—new dock systems, specially designed ships, new handling equipment and a reshaped inland distribution system.

Britain has established itself as by far the biggest user of seaborne container traffic in Europe. According to National Ports Council figures, traffic through U.K. ports on lift-on container services last year totalled 8.7m. metric tons, almost half of North-West Europe's total throughput.

The country's total unitised traffic in 1970 on both lift-on and roll-on services rose by nearly 4m. long tons to 18.6m. tons—a 30 per cent. increase over 1969. The total number of loaded containers passing through U.K. ports during 1970 was 1.6m, in addition to 430,708 empty units.

The statistics illustrate not only the important part containerisation is playing on Britain's trading life but also the influence of U.K. shipping companies, road hauliers and the railways—through Freight-liners—on this cargo-handling method.

On some routes, such as the North Atlantic, conventional break-bulk shipping has come to be regarded as an expensive speciality, something which is being repeated on the trans-Pacific and Europe-Australia runs.

Despite all their financial and operational problems shipping companies which have invested heavily in containerisation repeatedly reaffirm that they have backed the right horse. Inflation may have cut the anticipated profitability of containerisation and sent the operating costs well above those predicted but, the shipowners point out, the effect on conventional shipping would have been even more marked.

### Annual rates

It is unlikely that the container industry, which has become an industry in its own right, will see a slow-down in the rate of expansion for at least several years. According to figures published this year the main ports of Europe, the U.S., Japan and Australia continue to show annual rates of increase in container traffic of the order of 50 per cent., which compares with an estimated 8 per cent. increase in world trade.

The railways in Britain, France, Germany, Japan and other countries were registering the same, or better, rates of expansion of container transport.

The big difference between the expansion of world trade in general and containerisation in particular points to one of the underlying causes of financial problems faced by shipping companies and port authorities.

Both are investing huge amounts of capital on what is, essentially, a replacement for traditional transport methods. In the short term containerisation is not expected to attract a big increase in revenue to ship-

owners; there is, after all, only a certain amount of juice in an orange, whichever way you squeeze it. The benefits of containerisation are long-term: a quicker transportation method with more intensive, and thus economical, use of capital equipment.

There have been some, in particular a number of Scandinavian shipowners, who claim that containerisation is too costly, too capital-intensive and too big a break with conventional methods still employed by so much of the world.

And no doubt they felt that some of their reservations had been proved justified when four leading British groups—P & O, Furness Withy, Cunard and Blue Star Line, announced earlier this year they had decided not to go ahead with their \$80m. project to provide container services for the U.K.-New Zealand service, due to come into operation in 1973.

The reasons for the lines' decision was given as a combination of rising capital and operating costs for the venture and an unwillingness by New Zealand shippers to concede adequate rates of freight. It was stressed that Britain's likely entry into the Common Market had nothing to do with the decision. Nevertheless this factor must have been taken into account.

The decision to scrap the New Zealand container service (at least for the time being) should be regarded, I feel, as a hiccup in the steady growth of containerisation rather than a major setback for the mode of cargo handling.

It seems certain that long

before the end of this decade New Zealand will have some form of container service contact with Europe, although it could possibly be combined with the present Australian service which, incidentally, is expected to become profitable for the first time in the coming financial year.

In January next year Britain sees the opening of another important container route—that of Europe to the Far East. Some of the biggest cellular container-ships in the world will be employed on this run while full provision has been made for inland distribution in the U.K. with specially commissioned Freightliner trains and the establishment of a new inland clearance depot at Barking, London.

### Breathing space

After the introduction of the Far East service European shipping lines may well take several years' breathing space before embarking on other routes tipped for "containerisation"—South and East Africa and South America, for instance. We are likely to see the growth of the "land bridge" trans-Siberia container route over the next few years, however.

Containerisation has, in a way, relegated the importance of the ship. If a long rail haul, such as that across Siberia, is found to be attractive to the shipper then the container is just as suited to this method as to the ship. It is a flexible cargo carrier, just as much at home on land (road or rail) and in the air as it is at sea.

As a result we have seen ship-

ping lines, the main impetus and investors behind containerisation, diversifying their activities into inland transport operations, in some cases air freight and inland clearance depots.

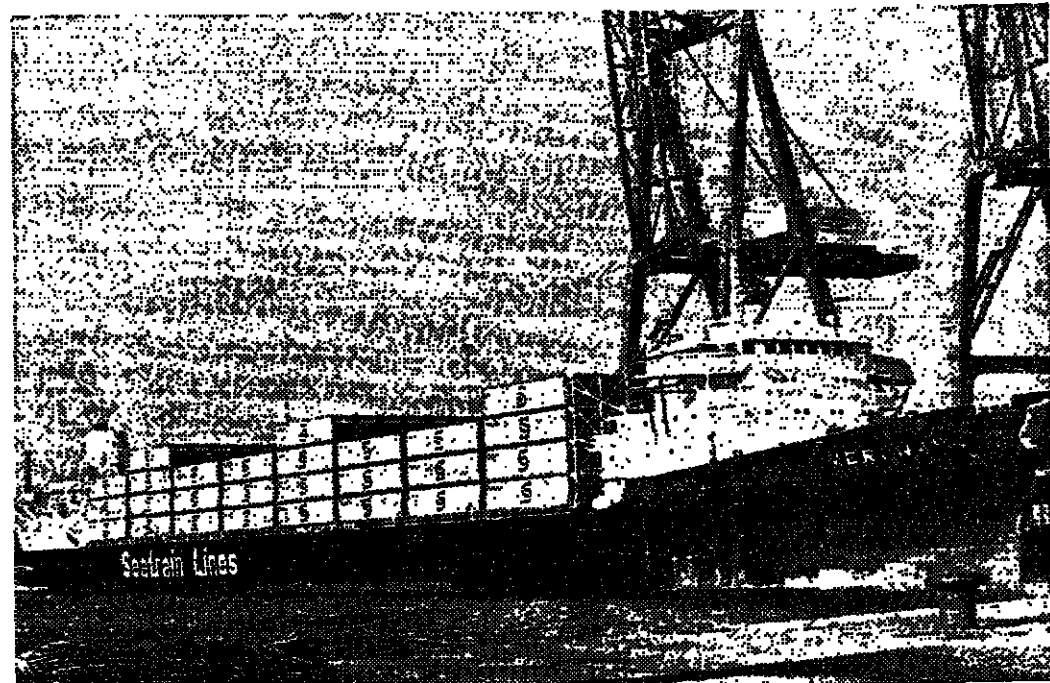
In the days of conventional break-bulk shipping, the consignment in an overseas trade used to pass through between 11 and 13 different hands: forwarding agents, haulage contractors, ships agents, stevedores, port authorities, Customs authorities, shipowners . . . and a similar list in the country of destination.

There was an obvious need for an integrated transport system, giving a quicker through door-to-door movement. Containerisation has provided the opportunity, although it would be foolish to claim it has so far proved a panacea for the transport industry.

In spite of all the difficulties the past few years have shown enough to give cause for optimism. British ports have gone a long way towards improving their facilities, as indicated by Mr. John Peyton, Minister for Transport Industries, who recently abolished the 20 per cent. port modernisation grants, introduced to encourage dock authorities to improve facilities.

With containers, ports need no longer be the land/sea barriers and congestion points, as so often in the past. The emphasis is switching to a quick throughput; the containers being taken to one of the dozen or so inland clearance depots for Customs clearance and "breaking down."

I have mentioned the important role Freightliners is playing in this inland distribution:



A typical container ship.

it currently carries some 11,000 containers a week on its 150 services. Road transport still remains by far the biggest carrier of goods, however.

According to Mr. John Elliott, president of the Freight Transport Association, British roads in 1970 carried 62 per cent. of inland freight. By the year 2000 this figure is likely to be 89 per cent.

Britain's entry into the Common Market will undoubtedly see an increase in lorry-borne containers whether or not the controversial Channel Tunnel is built.

For while the impressive lift-on container operations may have been hogging most of the limelight in recent years roll-on, roll-off (RO-RO) operations have also been expanding at an impressive rate. Port authorities on the East and South coast of Britain can confidently expect this type of traffic to continue to expand offering, as it does, an almost uninterrupted through door-to-door service.

Despite the rapid growth of air freight, airlines were some-

what slow in introducing the \$600 and \$700 per container these containers represent a total investment of at least \$200m.

In the past freight tended to be regarded as secondary to passengers; cargo was carried in the vacant space on passenger aeroplanes. While this practice still continues to a large extent, airlines are now introducing more large and specialised freight carriers suitable for container operations.

Large investment figures are common to the container industry. British, German and Japanese shipping lines are investing over £250m. in the Far East container service, for instance. But shipping lines remain convinced that container operations are far more capable of offsetting the effects of inflation than conventional cargo handling methods.

Even so it is clear that the lines will not enter further large container commitments without a fair guarantee of adequate returns (hence the decision to call off plans for the New Zealand service) and they are determined that existing operations should be profitable (hence the welcome decision by North Atlantic Lines to formulate a pooling agreement to avoid a suicidal rate cutting war).

Mr. J. A. Andrews, director of one U.K. container maintenance company, estimated there were about 300,000 containers of 20-foot equivalents in use internationally. At an estimate of

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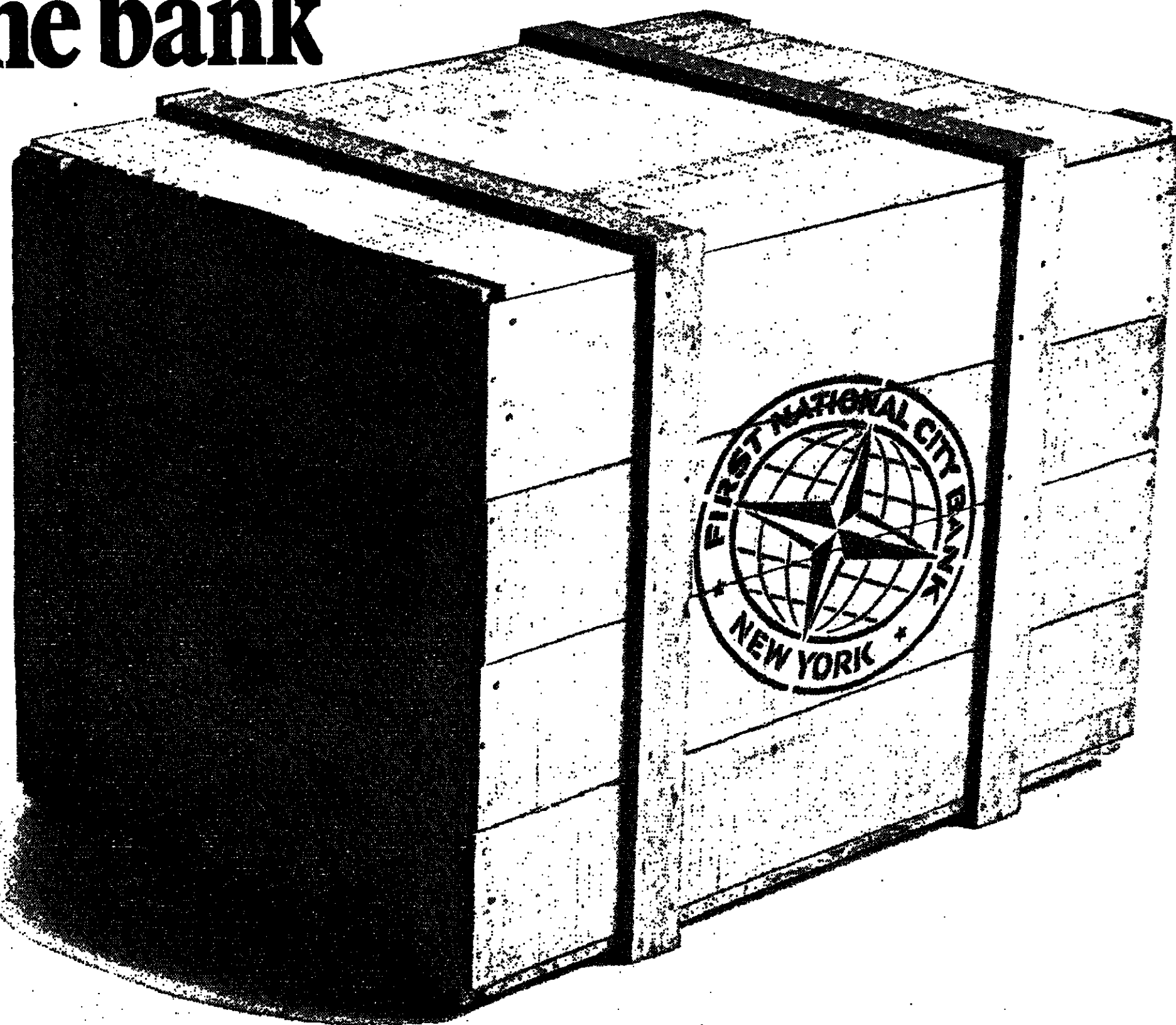
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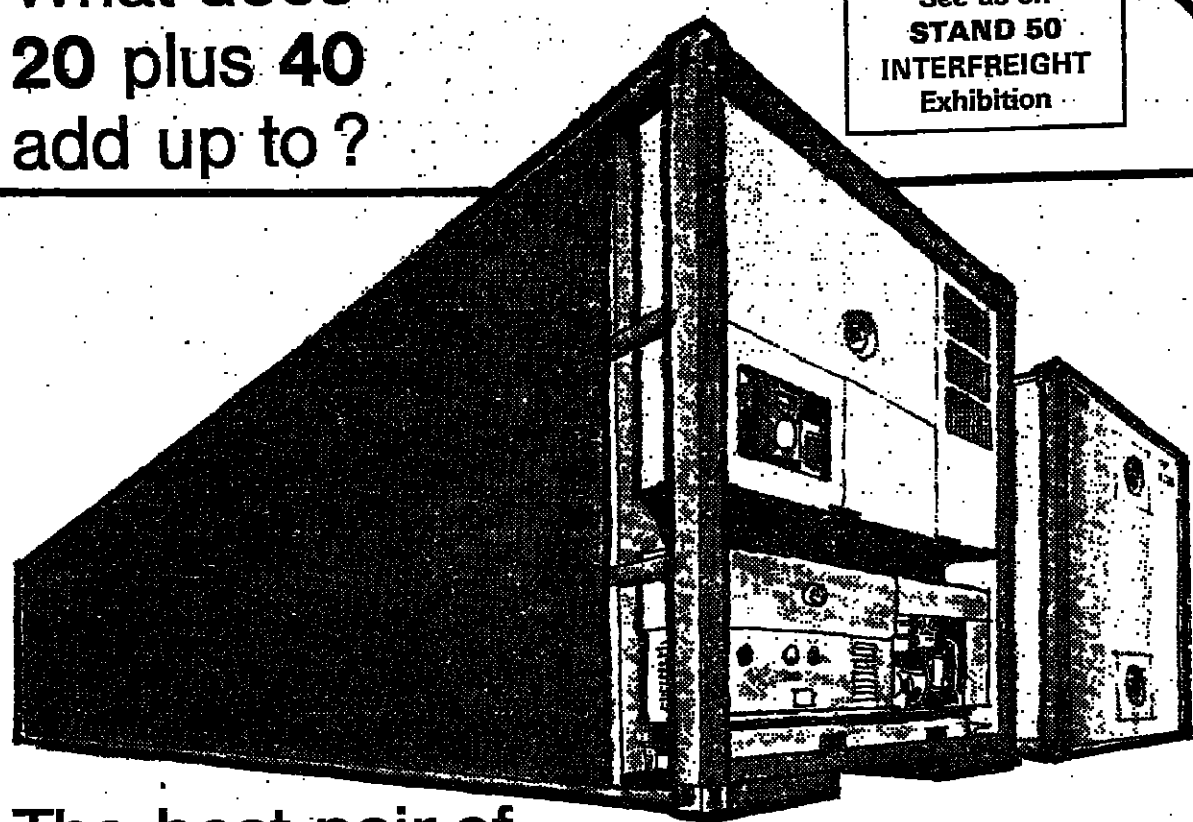
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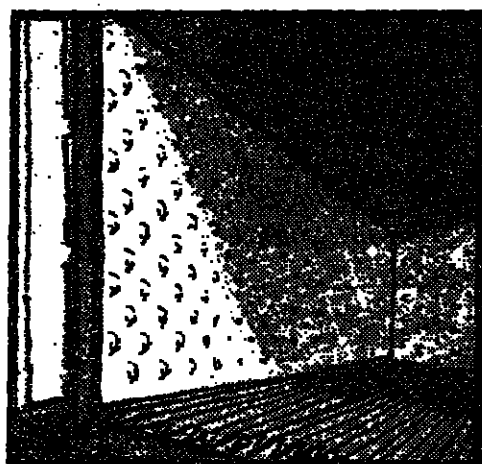
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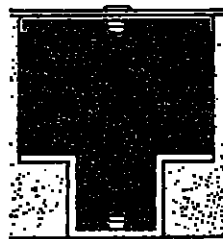
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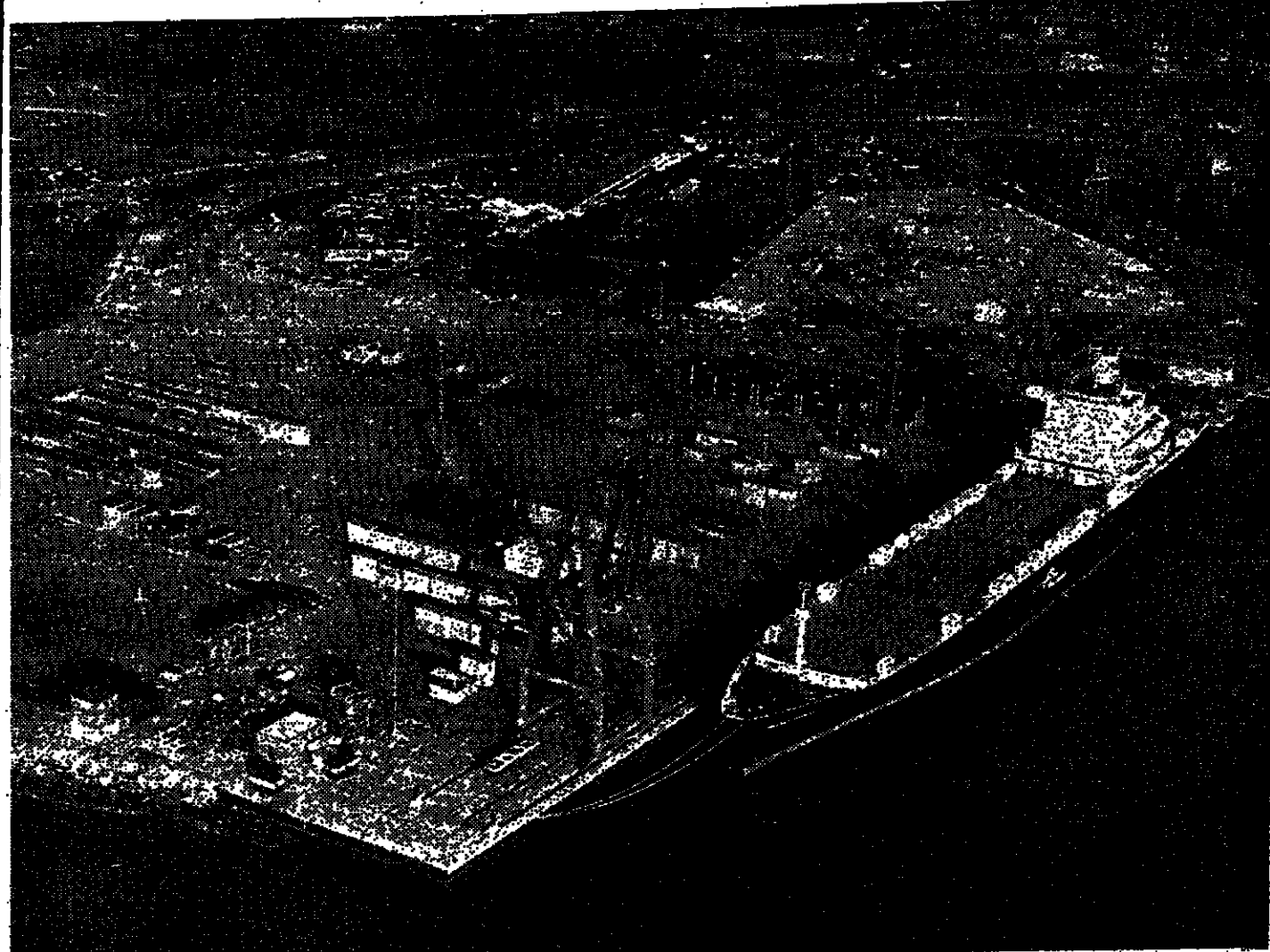
Key to Coldsaver's outstanding — and guaranteed — thermal efficiency: the patented sandwich pillars between skins in the body framework.



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## CONTAINERS II



Existing common-user berth at the Ocean Container Terminal, Southampton, consisting of a 1,000-foot berth backed by a 20-acre container and marshalling area.

## British ports adapt swiftly to new ways

By RAY DAFTER

A past-president of the U.K. Chamber of Shipping, Mr. Francis Hill, has suggested that the general public should be provided with special viewing platforms at Britain's major ports so that they can see the big changes and developments taking place in the port and shipping industries. The public are allowed to view airport operations, so why not port operations, he said. (Some ports already allow special parties of visitors to tour their facilities.)

Officials at Southampton, one of Britain's fastest-growing container ports, are already discussing the proposal. I understand, while at Tilbury, London, the Overseas Containers consortium went part of the way by holding an "open day" for the families of dock workers and others associated with 39 Berth.

This open day was held largely in recognition of record-breaking achievements for cargo handling and fast ship turn-round times at the berth. In one 24-hour session there were 1,001 liftings, claimed to be a record for a single berth anywhere in the U.K. or Europe. The berth was claimed as the busiest in Western Europe.

### Quick turn-round

The achievements—a far cry from the early days of a prolonged labour dispute and mechanical teething troubles—illustrate the benefits of containerisation when the system is working well, when men co-operate, the mechanical handling facilities come up to expectations and the port operations in general provide a quick turn-round for ships.

British ports have had to adapt themselves radically and swiftly to cater for the big surge in container traffic. U.K. shipping lines have been in the forefront of containerisation, particularly in Europe, and it was essential that the country's ports kept pace with the requisite handling facilities. Initial mistakes in planning and operation, together with teething troubles, were perhaps only to be expected and it is evident that the position is improving with experience.

To help the ports industry to modernise and adapt to new methods of cargo handling, particularly containerisation, and to provide deep water facilities for the new generation of large bulk carriers and tankers the Government introduced a 20 per cent. port modernisation grant in January, 1966.

Between 1966 and 1970 ports capital expenditure amounted to about £220m., of which about £30m. was in the form of grants. A large part of this money undoubtedly went towards providing container berths and back-up facilities.

At the end of July Mr. John Peyton, Minister for Transport Industries, announced that the grant system was being terminated—an indication, I feel, that the Government believes that U.K. ports are now comparatively well equipped and that the emphasis should turn to operating the facilities profitably.

According to the National Ports Council's Container and Roll-on Port Statistics, 1971, traffic through British ports on lift-on container services totalled 9.7m. metric tons last year, almost half of North West Europe's total throughput. Besides lift-on container services, used mainly in the deep sea, long-distance trades, Britain is also heavily involved in roll-on, roll-off container traffic. In-

stead of gantry cranes, shore-to-ship ramps are provided by the port authorities.

Britain's total unitised traffic in 1970 on both lift-on and roll-on services rose by nearly 4m. long tons to 18.6m. tons—a 30 per cent. increase over 1969.

The port with the biggest increase was London which, thanks to the emergence of the Australian trade, almost doubled its 1969 figure to a total of 1.5m. tons. Preston, Liverpool and Felixstowe followed close behind with about 1.4m. tons each, while Dover, essentially a roll-on, roll-off port, handled 1.2m. tons.

### Empty units

The total number of loaded containers passing through all U.K. ports last year was 1.6m. compared with 1.3m. in 1969. In addition, there were 430,708 empty units.

The big increase in container operations is likely to continue for several more years at least. While the Australia-Europe and the North America-Europe trades have been containerised virtually to their full extent we still have the Far East-Europe container service to come into operation.

This latter service, with its very large new ships, will start in January affecting not only U.K.'s container traffic figures but also enhancing the throughput of its base port in Britain, Southampton.

The National Ports Council, in its annual report for 1970, reported that the number of schemes submitted last year was similar to that in 1969. The majority of the proposals concerned the handling of bulk cargoes while a significant number involved development of container facilities. Among the major schemes

### New methods

It is largely this task of adapting to meet new freight-handling methods, along with general inflationary problems, that has led most of the U.K.'s major ports into financial difficulties.

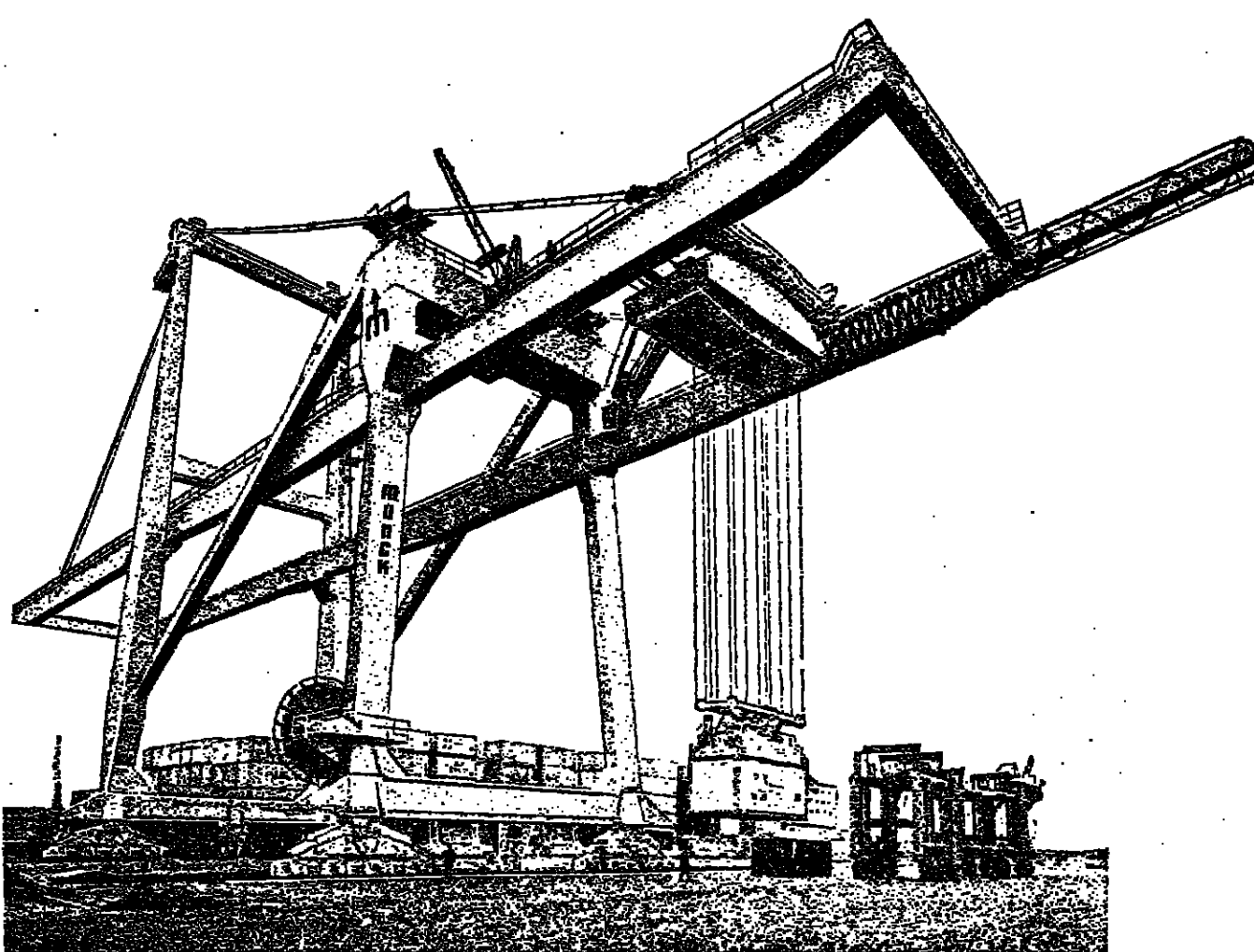
With the prospect of Nationalisation before them the port authorities were forced to borrow on a short term basis at high interest levels. Their return on port operations became increasingly inadequate to meet the costs involved. Many of the ports, one feels, hung on in the hope of being nationalised.

The return of a Conservative Government soon banished any hope of State assistance. The ports were told to fight their own way out of difficulties—the directive to the ailing Mersey Docks and Harbour Board was a prime example of this policy.

There is a real sign that ports are now getting their houses in order. They are adopting a more realistic pricing policy. As in the case of London in particular, they are rationalising operations: cutting out the loss-making units, concentrating on the profitable sections of port operations.

We are likely to find them more determined in the future to ensure that any development is financially justified, either by substantial guarantees of throughput or by some investment in the facilities by the port users concerned. To ensure that the "right" equipment is being provided in the right place there must be close co-operation between the port industry and shipping bodies.

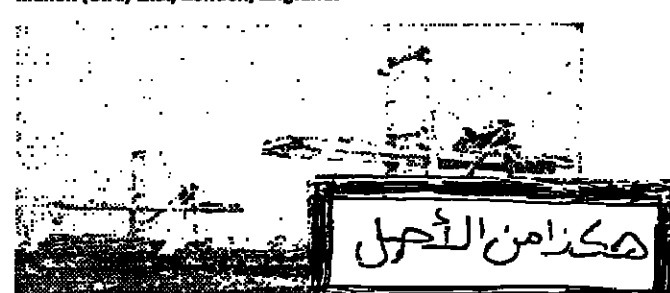
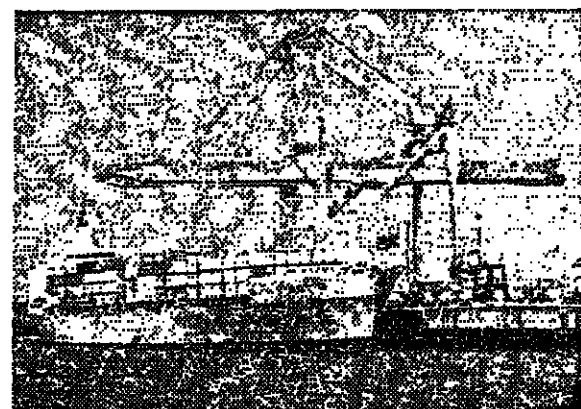
Mr. N. Ordman, director of planning for the Port of London, pointed out at the International Cargo Handling Co-ordination Association conference in Madrid in June: "There has already been some improvement in this sphere, but there is room for much greater improvement and one question to which ports and shipping companies should address themselves is whether suitable national and international organisations exist to ensure adequate co-operation."



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## Handling is key to growth

By JACK HAY

Containerisation is now an accepted part of transport by land, sea, rail and air. But at some point in every journey, whichever form of transport is used, the container has to be transferred.

It can be a transfer from a ship to rail or road; from rail to road; or, where road vehicles are concerned, from one vehicle to a depot, or from one vehicle to another.

The growth of containerisation has led to estimates that eventually 75 per cent. of all movement of goods will be in containers. Handling—or at least the movement of the containers by mechanical means—is a key to the extent and speed of this anticipated growth. For ports the accepted system, which is likely to remain for the next few years, are gantry cranes, which can span a ship's beam as well as a working section of the quayside, with either road or rail facilities.

Usually these gantry cranes are mounted on rail to allow the most suitable position in

relation to the vessel, and also to have an outreached cantilever section, allowing the loading or discharge of containers from any section of the ship.

There are also the more versatile gantries mounted on tyres wheels which can be moved from one part of the terminal to another, which can lift containers from rail vehicles, place them on road chassis or bogies, or stack containers for future movement.

### Larger models

Straddle carrier systems are now being offered in larger models to handle larger containers.

Road hauliers are taking an increasing interest in containerisation, particularly with the introduction of the growth in the use of draw-bar trailers, by no means rocketing at the moment, but gradually increasing.

For the transport of goods inland, whether from manufacturer to manufacturer, or from factory to a distant warehouse,

with an intermediate stop at a closed park, containers have many advantages, the most obvious being the greater deterrent to theft.

It is possible to leave the trailer, with the container on it, to wait for unloading while the prime mover goes on to another job. But this is invariably regarded as a waste to the cost-conscious road industry.

Several types of jack systems are available to allow for the transfer of a container from one vehicle to another. The containers are lifted clear of the chassis by means of hydraulically operated jacking devices, incorporated in legs. The container is lifted off the vehicle, which is driven clear. When convenient the container is lowered on to another vehicle positioned underneath, made secure and taken on the next stage of its journey.

Whether the goods are being handled at ports, inland terminals, or factories to which the goods are delivered it is the

Continued on next page.



## CONTAINERS III

# Insurers are yet to be impressed

By J. E. BANNISTER, Director, Keith Shipton and Co. Ltd.

To many container service operators, and all their salesmen, the advent of the container was a revolution—to the insurance underwriter it was basically a new means of packing, namely, a large box.

The container was seen as a means of protecting the goods, carrying them safely from the point of despatch to a final destination inland or overseas. Intermodal transport would mean that the container, once packed, could be transhipped by road, rail or ship without unpacking, providing speedy as well as safe transport. It was therefore claimed that insurance premiums should be sharply reduced to reflect these advantages.

Insurance underwriters did not share this optimism. Generally their argument was that if containerisation reduced claims they were willing to reduce premiums, but after the reduction in loss had actually happened, such pessimism was very pragmatically based—many of the propositions put out by underwriters work out very differently in practice.

After several years of large scale container operations it should be easy to answer the question—"Are containerised cargoes a better risk?" To the outsider it no doubt seems to be merely a question of good statistical analysis. Unfortunately there do not seem to be any statistics that relate premiums paid on container shipments to container losses.

The insurance underwriter usually keeps records of premiums and claims for each client and sometimes breaks these down by commodity or voyage. These would include container shipments but quite frequently the underwriter would not receive a detailed breakdown. Container claims information is more readily available but is of limited value unless related to premiums.

## Known losses

Container operators have produced figures showing low loss rates but it has been pointed out by underwriters that such figures only show the losses known to the operator. In many cases the damage is only discovered when the container is opened at its final destination. It is often difficult to ascertain exactly when the damage occurred and in such cases the underwriter will pay the claim without the operator necessarily being aware of the damage or loss.

Making an "off the cuff" estimate it is probably true that containerisation has reduced the incidence of loss, particularly where the operator has good

management and control and the shipper has "re-thought" his practice to take advantage of containers.

A major factor in early container claims was poor stowing. The skilled stowing of a stevedore had been replaced in some cases by loading by men who were completely unaware of how a ship rolls, yaws and turns at sea. Some of the early cargoes arrived in small pieces. Most operators now provide an advisory service to help shippers pack their containers to withstand the hazards of the journey. For many goods, alteration in size of pack enables the container to be completely filled, preventing movement and loss as well as the most economic transport.

## Air circulation

For some cargoes filling the container completely is not practical or desirable. A heavy cargo needs to be spread in terms of weight and secured so it will not shift. Many perishable cargoes such as fruit need to be stowed so as to permit air circulation.

A container in good condition gives good protection to the cargo but even the smallest hole will permit water to enter. Similarly a dirty container will taint any susceptible cargo loaded into it. Careful physical inspection of the container before loading and checks "en route" can eliminate these losses.

There is little doubt that pilferage has been much reduced by the use of containers. This is partially balanced by new opportunities for organised criminal activity. For a high value cargo that can easily be sold the container provides a convenient package for removal by thieves. There have been instances of removal from container terminals by deceit but terminal security has generally improved. The biggest source of theft loss is now on the open road, with or without the connivance of the drivers. A partial loss of contents is possible as it is easy to open the doors of a container, sealing being more token in character than secure.

The inter-modal concept is a good one. It should mean carriage on land or sea and loading and unloading by equipment specially designed to secure the container and prevent heavy handling. Such equipment is readily available but not always used. Road transport is sometimes on flat lorries with either ropes or no means of securing the container. Fatal accidents have resulted from unsecured or improperly secured containers slipping forward to

crush the driver in his cab or off the carrying vehicle on to other road users.

Similarly the container that crosses the Atlantic on or in a modern container ship with every facility, may then be carried lashed on the deck of a small coaster to a smaller port. Purpose built container cranes have devices to spread the load and balance the container during loading or unloading. If an unevenly packed container is moved by conventional cranes or derricks it is more likely to tilt with the possibility of damage to container or contents.

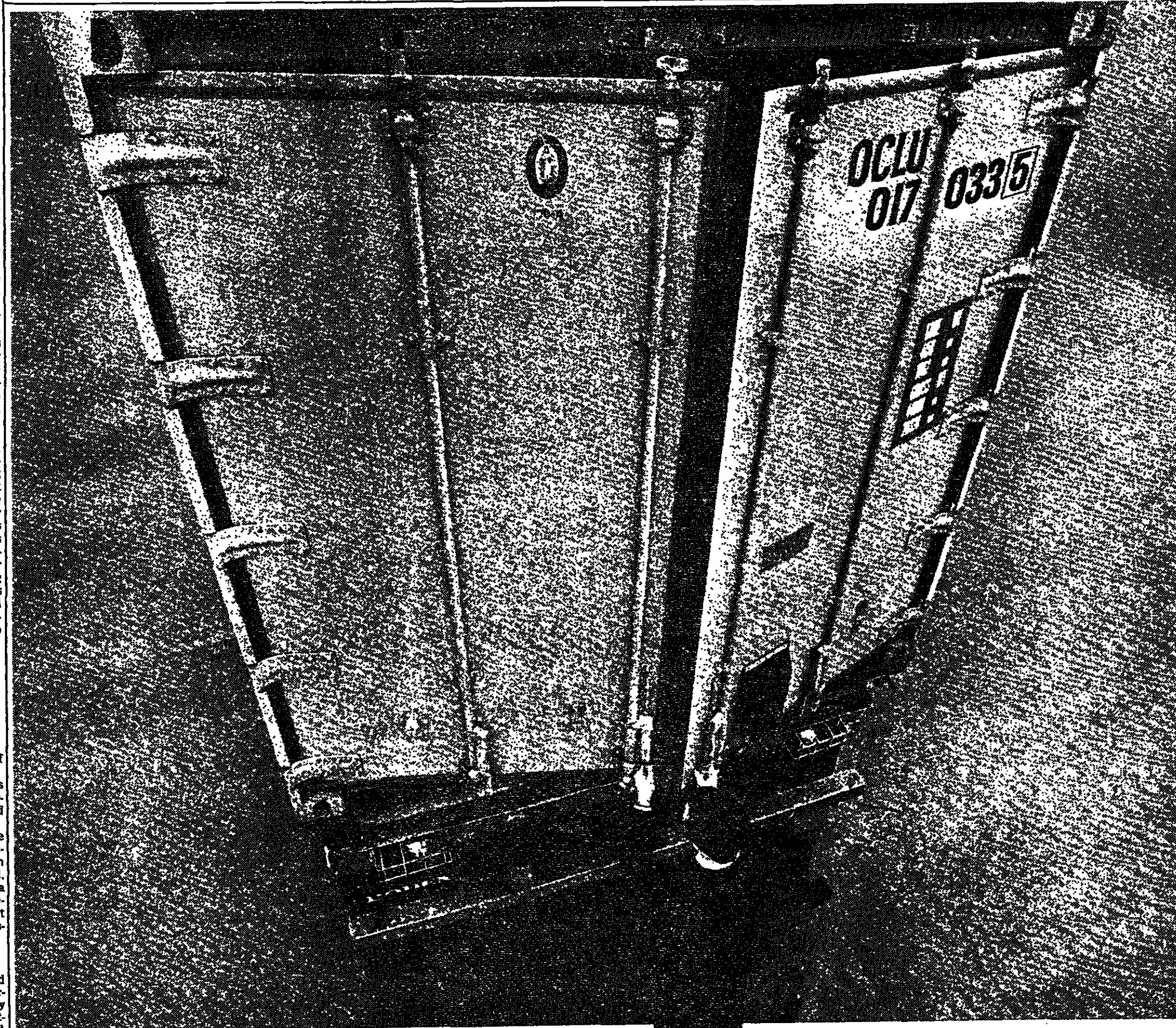
The closed nature of the container has introduced new forms of damage. The normal container is airtight when closed. During a typical trans-oceanic passage the container will endure many climatic changes. It may heat up or cool down on the quayside or in the holds of the ship. Cargoes that had previously been stowed in ventilated or normal holds have suffered damage in containers. Tinned goods have arrived badly stained, glass has

arrived unbroken but discoloured, some kinds of timber have deteriorated.

These are the hazards of any new method. In each case research by shipper and operator is overcoming the difficulties. One solution has been the wider use of refrigerated containers, not so much to keep the contents cool, but to prevent temperature fluctuation.

Containers are now an important factor in our overseas trade. It has been estimated that by 1973 15 per cent of U.K. imports and 43 per cent of U.K. exports (by weight) will be containerised. There is no reason why good management, control and research cannot steadily reduce losses and insurance premiums. As an insurance broker I see an increasing part in loss prevention, both by careful analysis of claims and more general help to shippers.

## Road-rail transfer operation for Freightliners.



## Handling—(Cont'd.)

Continued from previous page

turn-round speed which is the vital factor.

Different types of equipment are necessary. At the docks the containers are moved to or from the ship by gantry cranes which can cost up to £100,000; they can then be transferred to stacking areas by straddle carriers or side loaders, and stacked.

This calls for fork-lift trucks, and an integrated storage and documentation system. Road or rail facilities must also be readily available, with the facilities to transfer the containers to those methods of transport.

It is inevitable that should Britain join the European Economic Community there will be strong competition between the ports on the East coast of England. Competition is already there as it is between the West Coast ports for the Irish trade while the larger ports in the Clyde, at Liverpool, Tilbury and Southampton are looking for both short sea and deep sea business.

Ideally a container terminal, either at a port or inland, should be working 24 hours a day, and 365 days a year. This applies to the docks and to guarded storage areas inland.

## Storage areas

In handling terms the storage areas, whether for inland transit or for dock to inland facilities, must be organised and have the equipment to select containers accurately and quickly either by large straddle carriers or fork-lift trucks.

A spokesman for the Freight Transport Association said that one of the biggest problems facing the industry was turn-round times. It was essential, he said, that companies cut handling time to increase the revenue earning capability of vehicles.

This involves equipment. The choice of what type of equipment is to be used depends on the not only the type of containers to be dealt with, but also the

distance to reach the method of transport.

Mechanical handling methods have been, and are being overhauled, particularly in the road haulage industry.

Road transport is, in some quarters, believed to be less sensitive to containerisation than rail or sea modes. On the road, container hauling has become a specialised field of operation, requiring purpose built equipment on the road and for the transfer of the actual containers.

## Bulk delivery

The use of containers has led to the growth of Inland Clearance Depots. Bulk delivery can be made to those by Freightliners, and from there road vehicles equipped to handle containers can take over.

Mechanical handling plays an ever increasing part at every stage in this from the giant gantry cranes at the docks to the fork lift trucks which are needed for the loading of the containers on to lorries.

In the final stages the containers on the lorries must be unloaded. If it is one consignment for a factory, the problem is simplified for in most instances the container can be off-loaded from the truck almost immediately. The prime mover can return to base with an empty container, establishing a continuing cycle.

The same principle applies to split loads which would be delivered to warehouses, but there again there must be the equipment to either off-load the container quickly or for the container to be left behind.

The growth of containerisation will inevitably bring almost as wide a range of equipment as transport itself. There must be the giant gantry cranes at the docks; special equipment for loading and unloading Jumbos where the food or luggage is container packed; for the handling of containers on rail-ways; and finally, for the handling of containers on road vehicles.

## The NEW trade entrance to the Far East is through OCL's front door

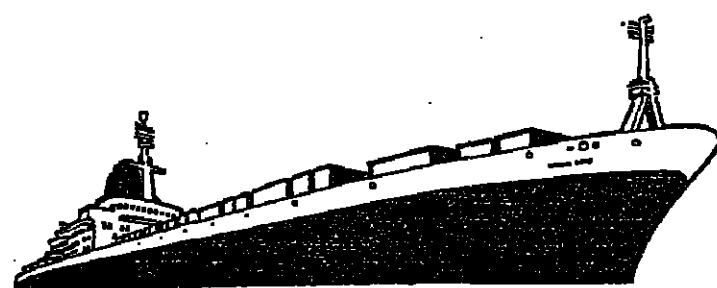
Shortly these doors will swing back and a new way of sending exports to the Far East will be open to you. They are the doors of an OCL container, and soon thousands of these big, strong, damage-proof boxes will be on their way, first to Japan and later to Singapore, Hong Kong and the rest of the Far East.

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# The container policy of the French Railways

An ever increasing number of transconainers are being transported through France by rail. The main points of entry and exit are the large sea ports, chiefly Le Havre, Marseille and Dunkerque, the first two dealing essentially with deep sea trade, the last one with short sea traffic, mainly with the United Kingdom by means of the new container ship "Transcontainer 1" of the French National Railways.

There are approximately 50 stations in France which can handle 20 ft. transconainers, 22 of which are equipped for the handling of 30 ft. and 40 ft. units.

For traffic within France a new type of service, known as "Container Express", was introduced in June 1969. This provides overnight transport of containers between seven of the largest and economically most active cities in the country: PARIS, BORDEAUX, LYON, MARSEILLE, METZ, STRASBOURG and TOULOUSE.

For traffic with overseas countries the units offered by the French Railways are particularly advantageous, with a flat rate for each type of loaded container for any given distance regardless of weight and commodity, and with a low rate for the empty return of privately owned containers.

Better rates still can be obtained through the French Railways' container company, the "Compagnie Nouvelle de Cadres" (C.N.C.), which, by means of container groupage and a large volume of traffic, is able to reduce costs to a

minimum and passes on the savings thus achieved to its customers. The C.N.C. can arrange terminal operations and transport in France or give quotations for traffic from the United Kingdom.

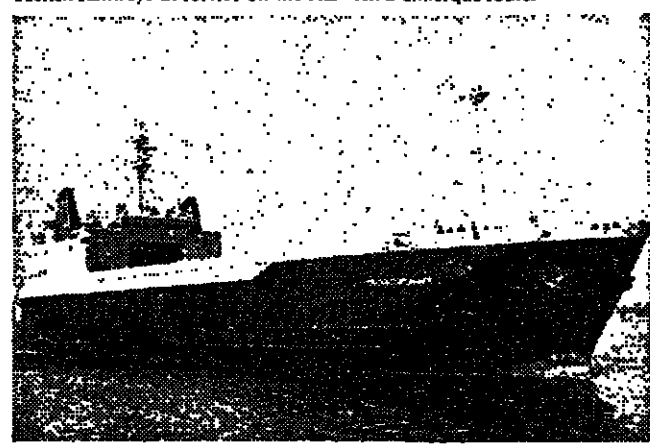
The containerisation policy of the French Railways does not restrict the development of other services. This means in particular that the services traditionally offered to shippers will be maintained. These include the traffic in ferry wagons from Dunkerque to Dover and Harwich which carry the majority of the fruit and vegetables moved by rail between Southern Europe and the United Kingdom.

Vis the Newhaven-Dieppe route, the traditional traffic in British Rail containers may in time be modified to suit new requirements but the principle of a service for small containers by this route will be retained.

On all their joint routes, the French Railways and British Rail will continue to give the closest attention to the important roll-on/roll-off traffic which has in the last few years shown a remarkable rate of increase. An important part of this traffic is now carried across France, to the south of the country or to Italy, by "Kangaroo" trains operated by "Novatrans", a piggy-back transport company closely associated with French Railways.

For additional information on all these services get in touch with French Railways Ltd., (Freight Dept.), 179 Piccadilly, London, W1V 0BA. Telephone 01-493 1621, telex 24651.

The new roll-on/roll-off container ship "TRANSCONTAINER 1" of the French Railways in service on the Harwich-Dunkerque route.



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## CONTAINERS IV

# Shipping makes big investments

By JAMES McDONALD, Shipping Correspondent

In a period of high inflation no shipping company can expect a guaranteed return on its investment in a new product, in this case containerisation of the major sea routes in terms of purpose-built ships and shore installations. All it can hope for is that the operating costs of an inter-modal method of transport will be less than under previous conventional methods, with lower labour costs offsetting higher capital investment.

The present problem is that this switch-over from a labour intensive to capital intensive operation has occurred during a period when inflation in both capital costs and in labour costs is rampant. Many of the sums done when British—and for that matter world—shipping decided to invest in containerisation have been destroyed by inflation on the two fronts.

But once the British shipping industry decided to go ahead there could have been no half-way point. Part-containerisation and part-conventional cargo shipping on a major route would be a nonsense when the enormous investment in specialised ships, in containers, containerports and inland transport facilities is considered.

In this connection it is worth considering just how much the world shipping industry has invested in containerisation so far. On a world basis it is difficult to obtain a price but at the start

of this year 52 purpose-built container ships totalling just over 1m. deadweight tons were in operation and at the same time around 115 similar ships were on order, totalling around 2.6m. tons.

These figures apply only to purpose-built container ships, excluding conversions. U.S.-flag ships continue to dominate the scene with over 1m. tons of cellular ships in operation, attributable mainly to Sea-Land's large fleet of conversions. The U.K. can claim to have more new purpose-built cellular ships in operation or on order than any other nation but is still some way behind the U.S. in total container tonnage.

### Deep-sea trades

Japan has overtaken West Germany in the container ship tonnage field, occupying third place.

In terms of new containerisation ventures it is probable that the British shipping industry has invested so far, in ships and containers already in operation, and in projected ventures about £350m. in deep-sea trades. The break-up in investment by British shipping in the trades can be looked at on the basis of purely British shipping consortia; British shipping companies involved in international consortia; and U.K. shipping

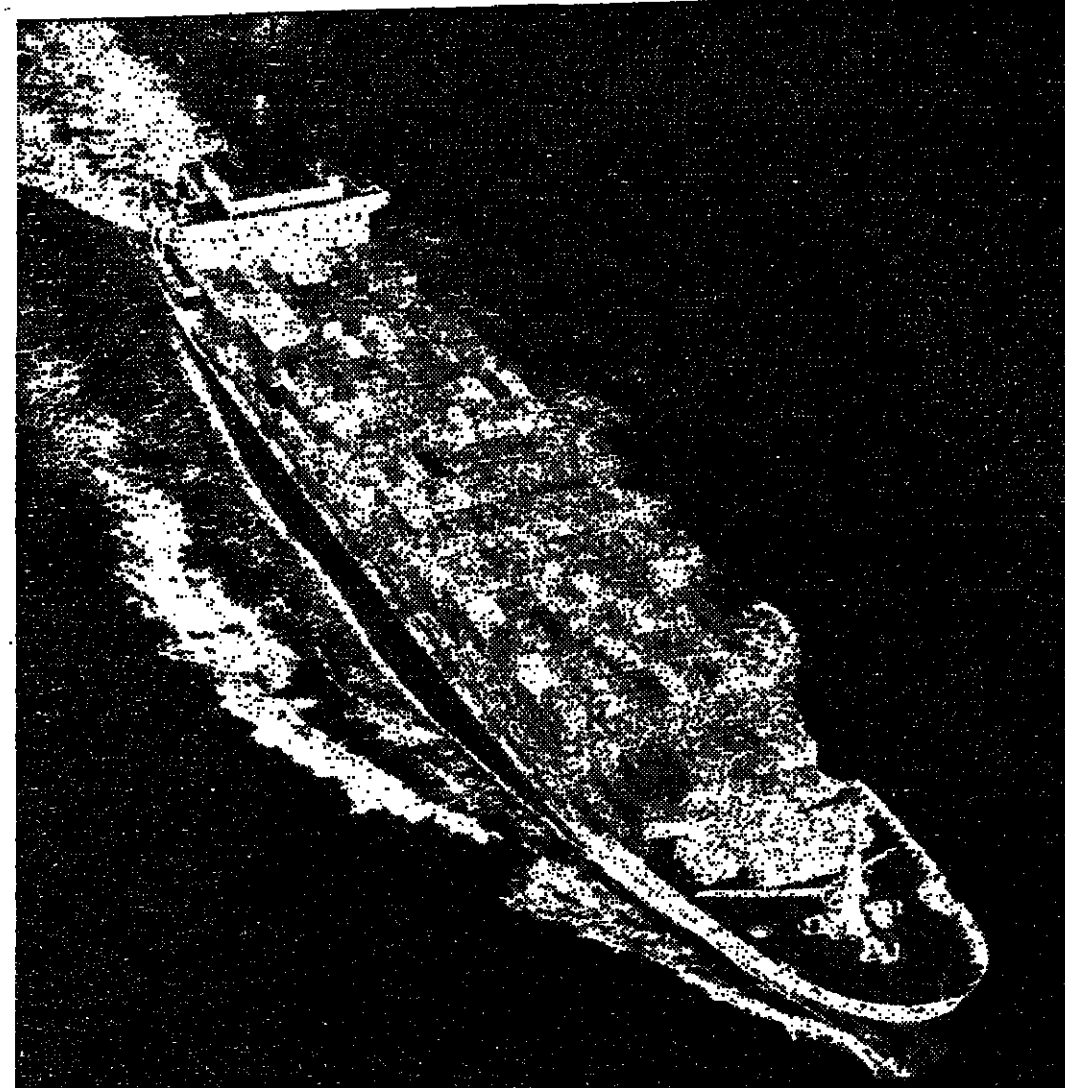
company "loners."

The purely British shipping container consortia—in the deep-sea trades are Overseas Containers and Associated Container Transportation—respectively OCL and ACT. The two consortia comprise the great bulk of major British shipping companies. OCL comprises the P and O group, Ocean Steam, British and Commonwealth Shipping and Furness Withy. ACT includes most of the remaining large names in U.K. shipping—Cunard, Ellerman Line, Ben Line, Blue Star Line (part of the Vestey interests) and Harrison Line.

In containerisation of the Australian and Far East Trades OCL and ACT together have invested approaching £200m. Around £80m. has been put into the Australian trade and possibly, as inflation takes its course, over £100m. in the Far East trade.

After the completely-British container consortia come the international container consortia in which U.K. shipping lines have an interest. These include the Atlantic Container Line, where Cunard is the British partner with Continental interests operating in the highly competitive Atlantic trades; and Dart Line, with Bristol City Line as the U.K. member in a European and Canadian consortium.

Atlantic Container Line



An Overseas Containers vessel pictured in the Dover Strait.

operates a fleet of 10 roll-on, roll-off, lift-on, lift-off container ships between 11 European and North American east coast ports. The members, apart from Cunard, are Compagnie Generale Transatlantique, Holland America Line, Swedish American Line, Transatlantic Steamship Company (Sweden) and Wallenius Line (Sweden). The investment by the consortia in the ships, containers and rolling stock has been estimated at about U.S.\$200m. (£80m.), with Cunard having a 20 per cent. share in the company and

owning two of the ships.

Dart Containerline—the second international consortia with a U.K. member, Bristol City Line—has as its other members Compagnie Maritime Belge, of Belgium, and Clarke Traffic Services, of Canada. This consortium is operating three large 33,000-ton cellular ships on the Atlantic. The overall cost of the investment by the three lines is in the region of £25m., including container-sets and the ships, each costing about £6.3m.

In the British deep-sea containerisation field only two companies have been willing to be "loners" and to operate outside consortia. These are Manchester Liners, part of the Furness Withy group, and CP Ships, a member of Canadian Pacific. Both are operating their ships in the most highly competitive containerisation area—the North Atlantic—against competition from international consortia and U.S. lines.

CP Ships has three purpose-built 16,000 deadweight ton vessels costing together about £8.5m. without their containers. They are all in service and operate from Tilbury, Rotterdam and Wolfe's Cove, Quebec, offering a weekly service. Another CP Ships service is operated from Liverpool and Clydeport in conjunction with Headland Line, using "first generation" converted container ships.

There will always be certain provisos, however. First, the projected traffic must be large enough to warrant the establishment of Customs facilities. Secondly, the depot must be designed to speed, rather than hinder, inland distribution.

ICDs grew up largely because of the bottlenecks at existing ports. These new terminals have little merit if they too become the centres of cargo congestion.

It must be stressed, however, that depots are working to stave off this situation. Like ports they are generally operating vehicle-pre-booking schemes. Such schemes have been particularly successful at Glasgow and Leeds where 80-90 per cent. of the vehicles calling are pre-booked.

The labour force have shown they have a flexible attitude towards cargo handling in the inland depots. But there are indications that port labour is to be used in some of these terminals, particularly those adjacent to existing dock systems.

It is to be hoped that any change in the labour situation will not detrimentally affect the aims and purpose of clearance depots: an efficient and speedy transfer of goods.

Manchester Liners has a high reputation for the quality and style of its container ships on the transatlantic. Three purpose-built vessels of about 12,000-tons each are already in service, costing together about £12m., and operating between Manchester and Montreal. Last July the company placed orders for two more similar ships, worth together about £10m., complete with containers, for delivery in 1975. In addition the company, in August, placed a £4.5m. order for two 4,490-ton "mini" container ships to be used as "feeder" vessels from major deep-sea container terminals.

### Fingers crossed

With no immediate returns from this investment British and world shipping—expecting any industrialist would in today's conditions a return of at least 15 per cent. on capital—keeping its fingers crossed about the future.

In some of the highly competitive trades, particularly the transatlantic and possibly the Far East, it may be that only the consortia may survive the battle. The trend, a number of shipowners believe, is towards even more grouping of resources from national into international consortia. Perhaps a new Donaldson Line, using "first generation" converted container ships, will have to agree on a share of the trade.

# Growth of inland clearance depots

By RAY DAFTER

In the spring of next year a new 11.4m. inland clearance depot is scheduled to become operational at Barking, London, while at Stratford, vast new sheds and facilities being provided at the London (East) ICD at a cost of £1.5m. is to be phased into operation during the first half of this year.

These two depots are not designed to handle traffic passing through the nearby Port of London, as one might first assume. London (East) ICD handles some traffic for London and Tilbury, however—but they will be heavily geared to handling containers in the Far East service, based on the port of Southampton.

The depots and the ten or so other "inland ports" are part of an inland distribution system with which the U.K. is leading the world.

### Great bulk

The distribution chain covers rail, road, sea and even air distribution with a growing number of container-packing and unloading centres (groupage depots) backing up the work of the full ICDs.

Container operators, aware that most of the delays to freight have occurred, and to some extent still are occurring, at the sea ports and at the various transfer points inland, are striving to smooth over these cracks in the system.

Hence the growth of customs-served ICDs, designed to minimise the time containers spend

in the ports and to provide a swifter transfer for cargoes between ship and road/rail carriers.

The British Rail-National Freight Corporation subsidiary, Freightliners, has played a prime part in the development of inland container distribution. The Far East service demonstrates just how far progress has been made.

Earlier this year contracts believed to be worth between £20m. and £30m. were signed for the transport by rail of well over 100,000 containers a year for the next 10 years to and from Southampton.

These contracts provided for the running of six container trains each way every weekday, exclusively for Overseas Containers and Ben Line Containers (part of Associated Container Transportation), the two U.K. consortia involved in the Far East container service.

The trains will connect the Southampton terminal (with its associated Freightliners base) with ICDs at Birmingham, Glasgow, Leeds, Liverpool, London and Manchester.

Since the first Freightliner service was introduced between London and Glasgow in November 1965, the network and capacity of the service has grown steadily. There are currently some 150 services carrying about 11,000 containers a week.

In July British Rail announced another innovation concerning container transport operations.

It has agreed to lease 150 Freightliner wagons from Hill Samuel Leasing Company for use in the Far East container trade. The wagons are being built for Hill Samuel by British Rail Engineering, a wholly-owned subsidiary of the BR Board.

### High reputation

The operation of road haulage fleets has also been influenced by the growth of ICDs and groupage depots. Long and costly delays at seaports have for many years frustrated the operations (and economics) of hauliers although, to be fair, the situation has improved a great deal with the introduction of lorry booking schemes in Britain's major ports.

Nevertheless inland ports, as a product of the past few years, have been designed specifically with speedy distribution in mind; hence the accompanying rail facilities, good road access and modern loading bays.

In essence the ICDs are tailor-made for integrated transport working, their lay-out (unlike that of many dock systems) allowing vehicles to enter and leave speedily.

It has facilities for "breaking-down" container loads into individual lots for distribution to the wholesalers, manufacturers and retailers for instance.

The present ICDs, like the one under construction at Barking, are in the main owned and operated by broadly based consortia, comprising—most likely—container operators, shipping

lines, public bodies and, in some cases, port authorities.

Private companies are now able to apply for Customs and Excise permission for their own depots which could lead to a growth of small, perhaps specialised, terminals.

There will always be certain provisos, however. First, the projected traffic must be large enough to warrant the establishment of Customs facilities. Secondly, the depot must be designed to speed, rather than hinder, inland distribution.

ICDs grew up largely because of the bottlenecks at existing ports. These new terminals have little merit if they too become the centres of cargo congestion.

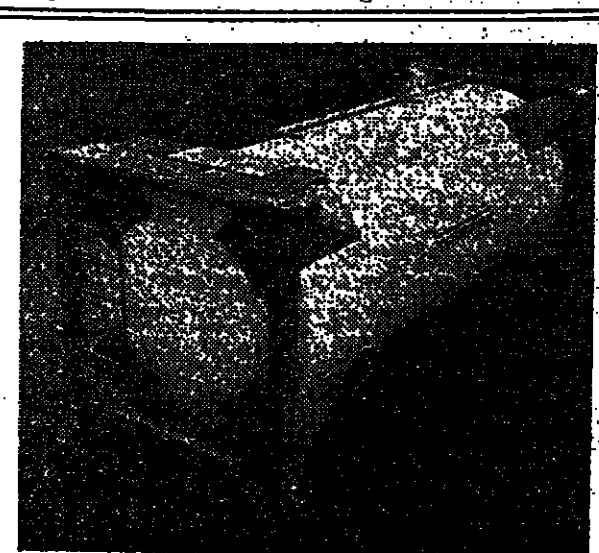
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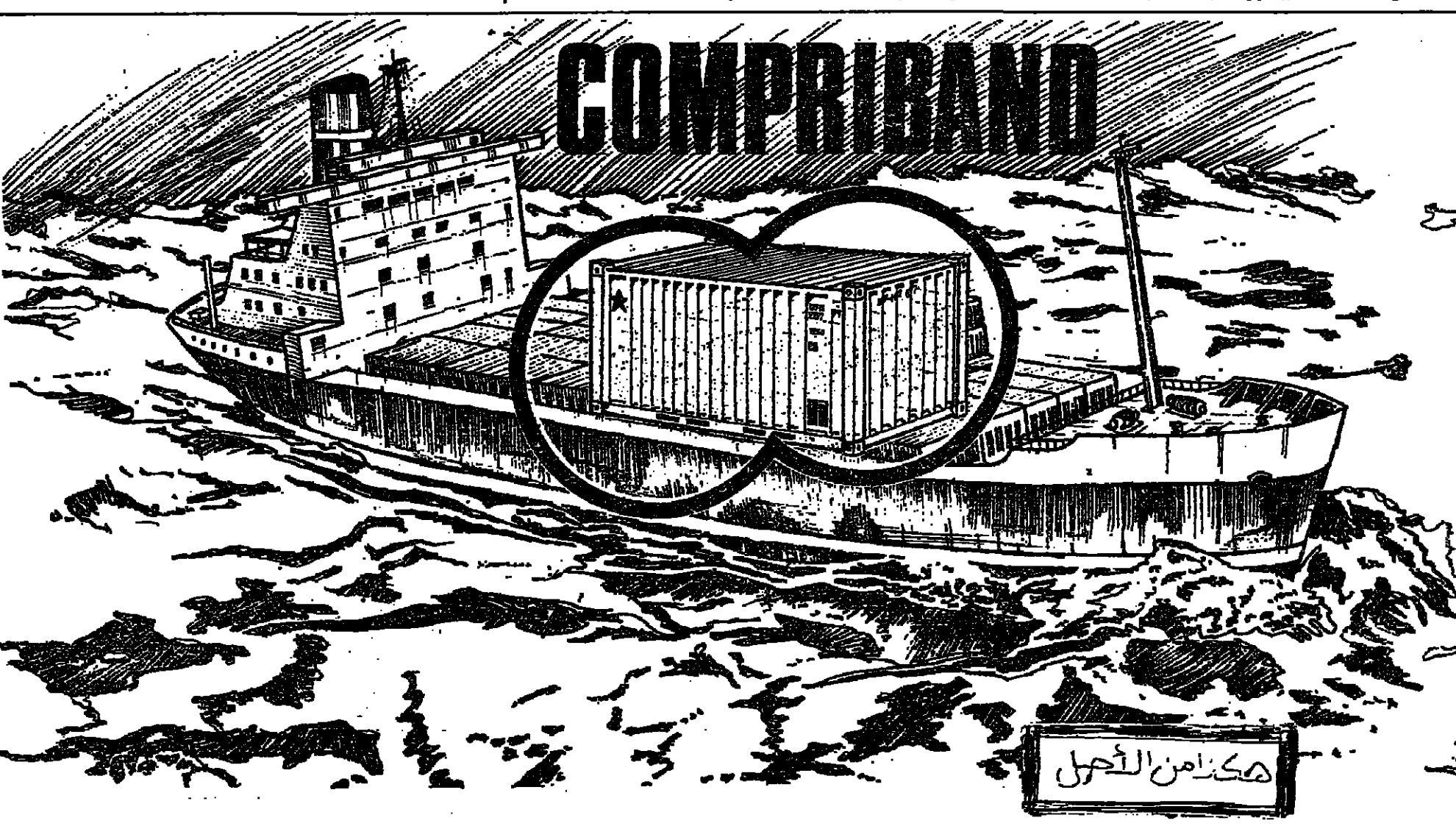
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## CONTAINERS V

## Rail profit likely

By COLIN JONES

It was always expected to be some time before the money put into Britain's freightliner network began to pay. Now, with the fifth year of operation almost completed, the development phase can be regarded as nearly over. If Freightliner Ltd., the company owned by the National Freight Corporation (51 per cent) and British Rail (49 per cent), fails to break even after August charges in 1971, it will have been because of this year's recession which has depressed road and rail freight traffic as much as other business activities. With even a modest revival in the economy next year, the company can almost certainly be expected to emerge into full profitability in 1972.

Three years ago the freightliner network was reckoned to be losing about £2m. before interest on a turnover of £5.4m. Last year, with the number of containers carried reaching 450,000, as against less than 300,000 in 1968 and a bare 27,000 in 1966 (the first full year of operation), turnover rose to £14.6m. and the loss before interest was cut to £837,000. This year the number of containers was expected to approach the 600,000 mark and a profit before interest charges of some £1.1m. has been forecast. If this target is achieved, despite the traffic recession, it should be enough to cover interest payments.

## Principal role

This progress has been achieved, it should be noted, before the full development of maritime traffic, which is now seen as the principal role for the freightliner service. True, business has increased at a rapid rate on the short-sea routes to the Continent and after the initial setback, on the Australian services from Tilbury. But the start of the full Irish container service from

Holyhead has been delayed for over a year by the Menai bridge fire of May, 1970—and looks like being delayed for a few more months yet—and the Far East container services from Southampton is not due to begin until December.

The arrival of these two services, with their need for efficient inland container distribution facilities, should add considerably to Freightliner traffic. Five more direct Freightliner services to and from Holyhead are planned—to Leeds, Manchester, Liverpool, Sheffield and Nottingham—while the plans agreed with the OCL/ACT consortium for the Far East container service include six round-trip trains a day to and from Southampton on six days a week, the construction of two new Freightliner depots, and the leasing of a large rail site for development as a rail-connected containerbase.

The progressive build-up of traffic is by no means the only reason why the freightliner company is now on the point of becoming fully profitable.

The concept of containerisation was not itself new, containers were used in large numbers on the railways over 40 years ago and they can be traced back in one form or another to the earliest railway days. What was new was the idea of marshalling container traffic into full train loads, creating purpose-built road/rail terminals and installing special equipment to handle container loading and unloading, and running specialised container trains between these terminals to a regular timetable and at a high speed.

In this way rail could more readily exploit its inherent advantages—its ability to handle large quantities of traffic reliably and quickly on the primary national arterial routes. But like all new developments,



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it had in its elements of an experiment. Lessons had to be learned in practice and mistakes were to be expected—in equipment as well as in operating and commercial policies.

## Proved viable

These are all in process of being tackled. For example, some services which have not proved viable and which have shown little sign of significant development have been withdrawn. With terminal costs accounting for a high proportion of total costs—often far more than the trunk rail haul—load factors have to be high for a service to be viable. And high load factors mean a good balance between the traffic in each direction. Capacity working in one direction is of little avail, for instance, if the return load is so minimal that the combined service operates at well under 75 per cent

capacity—which in many cases received too little attention. But is about the level needed for partial "hiving-off" has certainly led to the creation of a strong market-orientated set-up.

Likewise, a much more selective approach is now made to pricing and special efforts have been made to ascertain, and keep a close check on, the costs of operation on each route. For this purpose, British Rail has agreed to make its charge for the trunk haul—which last year accounted for just over a third of total freightliner costs—on a route-by-route basis. With full route accounts available on a regular basis, the commercial possibilities of each route and service can be fully assessed.

This last development in particular could be regarded as one of the benefits to have flowed from the 1968 decision to transfer a controlling 51 per cent interest in the Freightliner company to the National Freight Corporation. It would be wrong—very wrong—to assume that marketing had previously

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## Refrigerated transport

By RAY DAFTER

While the Europe-Far East container service will be heavily engaged in carrying manufactured goods—it is like having Birmingham at both ends, one hipwiper recently told me—there will nevertheless be an important role for refrigerated cargo facilities.

Although the number of refrigerated containers, colloquially called "reefers", may be quite small in relation to the total complement of boxes on the very large ships to be employed in the service, the list of commodities requiring such specialised equipment is longer than perhaps at first appreciated.

The annual statement of the Trades of the U.K. lists among the potential imports which may need refrigerated facilities: frozen meat and fish of various descriptions, prawns and other crustacea, dairy produce, frozen eggs and fresh fruit.

Exports could include cakes, biscuits, fruit and vegetables, eggs (fresh or dried) and chocolate and other confectionery products.

"The reefers" which will be used in the Far East service will be self-refrigeration units already commonplace on ships with limited freezing, chilling and cooling requirements.

These have the advantages of individuality—the boxes can be run at differing temperatures to suit the large variety of goods—and flexibility. The boxes can continue to operate with their self-refrigeration units during port storage and inland distribution.

## Test chamber

The boxes will be carried on the deck of the container ships; stowing them below decks would create heat from the refrigeration units. I can well remember sweating in a test chamber at the Shipowners' Refrigerated Cargo Research Association Laboratories in Cambridge where such a "reefer" was operating in a temperature well above 100 degrees F.

On a service where a large degree of refrigeration is essential, shipowners have found it more economic to have a large number of boxes connected to a central refrigeration unit.

Apart from the economic factor a large number of individual units would present generated heat and maintenance problems.

A centralised system has been used in the ships in the Europe-Australia service and the Australia-New Zealand-East Coast of America run, for example. Plans were also afoot

to provide such a system in the ships for the New Zealand container service.

There seems to be little doubt that the New Zealand trade will be containerised sooner or later and when this comes about it is almost certain that a centralised refrigeration system will be employed.

Operators who use this method are still faced with one major problem, however: how to keep the container contents cold when the boxes are away from the mother ship's power unit, for example during inland transit or on the quay.

Some container terminals, such as the one handling the Australian service at Tilbury, London, have refrigeration units to which containers can be coupled. Another such unit was being planned for Southampton, I understand, and is the likely terminal for the New Zealand service.

Where such units are not available, however, shipowners, transport companies and shippers must rely on individual "clip-on" units. These include mechanical cold air units and a more compact nitrogen system. While the first of these has relatively high capital costs and low running costs the latter has lower capital costs but higher running costs.

At the moment liquid nitrogen is fed under thermostatic control into the container by way of the spray pipe. Interest in the possibility of using liquid nitrogen as a refrigerant for terminal operations has led to investigations at Cambridge into the use of timed pulses of injected nitrogen so avoiding the necessity of a thermostat bulb in each container.

## Closer control

Improved refrigeration units which can give greater flexibility and a closer control of temperature may well prompt growth in several long-distance trades which might otherwise have been impossible.

An indication of the degree of controlled temperature required is illustrated by the U.S. Department of Agriculture's regulations concerning fruit imports from Australia.

The Department insists that the fruit must spend a 14-day quarantine period at a temperature of under 33 degrees F. as a safeguard against the Queensland Fruit Fly. This means that the carrier is faced with providing a controlled temperature between 29 degrees F. and 33 degrees F. to ensure that the fruit is not frozen.

Another interesting development arising from improved refrigeration facilities has been the cargoes of Australian chilled beef which have been arriving in the U.K.

Earlier this year, in the early hours of the morning, a small consignment of prime beef, boned and vacuum packed, was

put on display in London's Smithfield Market with all the ballyhoo of an official reception and Press and television coverage.

This was an experimental consignment brought from Australia to see whether the beef could withstand the long journey in perfect condition. It could.

Last month a larger consignment arrived at Smithfield and again was put on display in perfect condition. The Australians seem satisfied that they can now export in quantity this high-grade chilled beef along with the large amounts of frozen meat already sent to Britain.

## Regular series

Mr. Gary Teys, export manager of a Brisbane meat company, travelled to London to see the meat put on display. Although confident that the meat would reach England in excellent condition, even he was impressed with the way it had

travelled, he commented. "We now see this as the first of what we hope will become a regular series of shipments, similar to those that we have been making to Japan for some time."

Experimentation, research, development and reappraisal work continue into refrigerated cargo. But the story I like best concerns the representative of a cleaning company who turned up at one of the container consorts and offered to demonstrate his wonder product.

At his insistence, the refrigerated container was plastered with blood, paint, oil—in fact, virtually everything the testing team could lay its hands on. The cleaning preparation was then applied.

Like the washing powder television commercials the assembled knot of people waited with interest but at the appointed hour nothing had happened.

It took several days before the team had scrubbed the inside of that "reefer" clean. All in the name of development.

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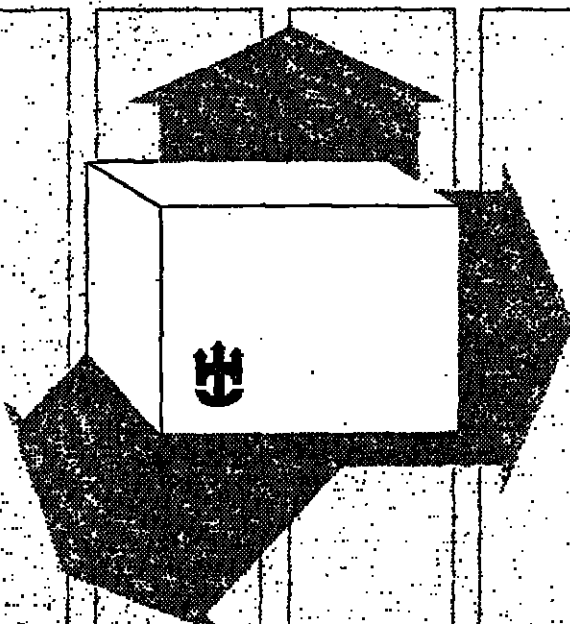
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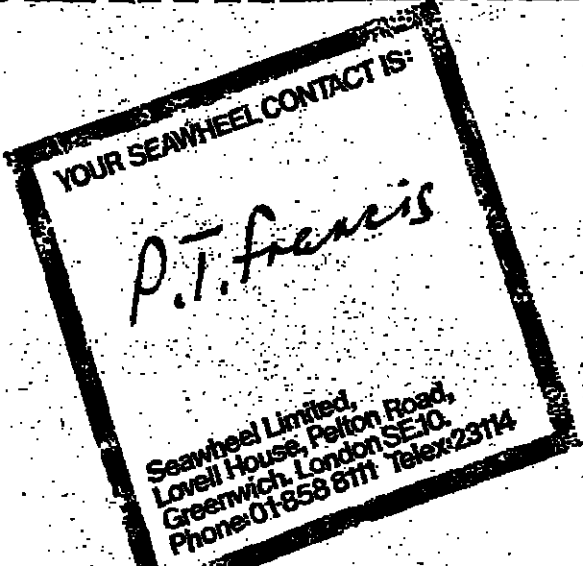
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## CONTAINERS VI



A Pengeo-York trailer with a 30-foot long container.

## Difficult decisions for road hauliers

By ROGER FAIRWEATHER, Assistant Editor, Freight Management

The development of containerisation has meant that main reasons why road transport haulage operators have been faced with the decision on whether to change their vehicles to the specialised types which are designed for container carriage.

On the face of it, this seems a clear-cut decision and a rather obvious step in view of the increasing use of containers and the consequent need to transport them to and from ports. In practice, however, the choice has not been so straightforward since the overland movement of containers has yet to settle into distinct patterns of operation.

### Roll on/roll off

For the international hauliers operating from the U.K. to Europe, the decision has been particularly difficult, although it would appear that some form of pattern is now developing.

In the mid-1960s when it became apparent that containerisation was going to transform the shipping world, international road hauliers were in the predicament of not knowing whether the roll-on/roll-off ferry operations would be gradually phased out in favour of the cellular container vessel. It was widely forecast at the time that even the short-sea cross-Channel routes would all be converted in due course, leaving the road transport operator to compete with the railways in providing only customer-to-port and port-to-customer transport.

If this were to be the case, the structure of the transport industry would have undergone even more of a change than has in fact happened. Despite the now accepted principle that rail transit of containers for distances of 150 miles and over is more economic than an all-road transit, road transport operators in the U.K. and in Europe have been able to command a considerable share of the overland operational market.

In the U.K., there are two main reasons why road transport continues to prove attractive. First, it is a question of economics related to geography. By far the majority of container movements to and from ports are within the 150-mile economic limit. Thus, there is the feeling that despite any marginal cost advantages and the possibility of increased speed which may be offered by the port them to and from ports. Freightliner network, road transport provides an operational versatility. Secondly, there is still a prejudice against rail transport dating back to the immediate post-war era when the railways were not noted for the efficient handling of freight.

Although the success of the Freightliner system has gone a long way towards overcoming this resistance to change is still evident. With specific regard to freighting between the U.K. and Europe, there is still a division of opinion as to whether containerisation provides the most acceptable means of transport as compared with the van or tilt-type vehicle which crosses the Channel on a roll-on/roll-off ferry as opposed to a cellular container vessel.

Early predictions concerning the phasing out of this type of traffic have definitely not materialised. This does not mean that there has necessarily been a contraction in the extent of container usage for cross-Channel routes, but it does provide confirmation that there is a demand for both types of operation.

### Onward transit

Several of the major British operators tended, at one time, to replace their vehicles with containers and container-carrying semi-trailers. This enabled them to use either the cross Channel container vessels or the roll-on/roll-off ferries. In the former instance, onward transit

from the destination port could be made with an overseas agent or subsidiary company based at or near the port. Alternatively, continental rail transport could be used for final delivery. Although this is still the preferred method for some operators, there now appears to be a pattern emerging which shows two distinct types of operator.

### Wide network

First there is the container operator who contracts to move goods in containers but chooses the method of transport which is considered most suitable for a particular destination and in accordance with its overseas tie-ups. Generally speaking, these are run by the larger organisations which have a wide network of overseas agencies or subsidiaries and which can provide the necessary degree of control that is required when switches from one form of transport to another are made. Such operators own containers and road vehicles, but the latter are used only for the purpose of transporting the container between customer and port or rail terminal and vice versa.

The second type of operator is the pure road haulage concern, which continues to satisfy the demand for an all-road transit which is still the preference for many importers and exporters. In this case, the operators are now largely ignoring containerisation in favour of the closed van or tilt vehicle. Such operators are particularly common on the Continent, where such vehicles are preferred for their versatility. Tilt-topped vehicles are especially popular because of their ability to be loaded from the side, end or top as the type of load dictates.

Container transits by road continue, such, would be applicable to all distances types of freight, whether containerised or not.

economic limit, providing that future legislation does not prohibit such movement. The preference for minimum handling and close control of goods throughout the transit is possibly stronger now than at any time in the past and which particularly favours road transport. A current legislative restriction on the carriage of containers by road came to head earlier this year when road hauliers hoped that the maximum gross weight of vehicles would be increased from the present 32 tons to 36 tons.

A great deal of publicity followed by the decision not to increase the limit, but it remains a matter of conjecture whether the decision was made for the right reasons. There was a great deal of emotional talk on the size of vehicles, with reference to "juggernauts". In fact, the transport industry was not asking for an increase in size, but an increase in carrying capacity within the present overall dimensions. One of the reasons for this request was to enable road vehicles to carry 40-foot containers fully laden to their weight capacity (as opposed to cubic capacity) under normal operating regulations.

### All types

The view is still widely held that if and when Britain joins the European Economic Community the limit will be raised to 38 tons, which is the operating maximum of several European countries. Although such a step would help the road transport industry in its container operations, the main advantage would be to carriers operating economies and, as such, would be applicable to all distances types of freight, whether containerised or not.

## Large variety of specialised units

By MICHAEL CASSELL

The question regularly asked but which no-one can apparently answer is "How many containers are currently in use throughout the world?" The experts have suggested figures ranging from 100,000 to 500,000 and predicted several dates in the near future for the reaching of the 1m. mark, but all these remain estimates.

In the absence of any central agency to deal with container registrations on a world-wide scale, or even on a national basis, the question looks certain to remain unanswered for some time to come, much to the frustration of governments, port authorities and transport organisations contemplating expansion.

But if the actual number in use must remain the subject of continuing controversy, the effect of containerisation on international trade in the last 15 years — 5 years in the case of

the U.K. — is undisputed. It is thought that at least £200m. has so far been invested in a range of container types which has rapidly expanded to provide a large variety of specialised units designed to meet almost every need imaginable.

### Basic range

As containerisation becomes increasingly accepted as a standard form of goods transportation, further development work is needed to adapt to the variety of cargoes demanding transport, but it would now appear that the basic range of models being produced by manufacturers is unlikely to expand much further in the future, although there remains scope for minor modification and refinement.

With such a potential for diversification, the need for internationally accepted dimensions

standards has increased and in this respect the International Standards Organisation has done a great deal of valuable work. Containers are made to change hands continuously and a limit to the variety which any one shipowner, rail or terminal operator has to handle is obviously desirable to assist the speed and efficiency of operations.

Happily, it seems that the number of official and unofficial standards has been well contained to date and despite the theoretical opportunities for a far greater variety of sizes, the majority of operators seem content to limit activities to a relatively compact range.

Length modules, agreed on an international basis several years ago, have been largely adhered to and with only a few exceptions the 10-foot, 20-foot, 30-foot and 40-foot units have been accepted as the standard opera-

tional sizes. There has, however, been some departure from the official width and height recommendations.

It is now true to say that containerisation has reached a state of development which enables almost anything to be carried in this fashion. The closed container is one of the most widely used and recognised types available but the extent to which this simple box-unit concept has now been modified and adapted to ever-increasing needs illustrates how containerisation has succeeded in becoming a major transportation mode.

Heating devices  
To-day, the container can be open at the end, the side or the top. Many standard modifications are made to suit the load and other special requirements. Continued on page 25.



## CONTAINERS VII

# A slackening in air freight

By MICHAEL DONNE

The current world-wide slackening in the rate of air passenger growth has been paralleled in the air freight market. Whereas in the period from 1964 to 1969 the average annual rate of freight ton-kilometres down on scheduled services was about 20 per cent, with a peak expansion rate of 27 per cent in 1965, in 1970 the rate of growth had fallen sharply to 8 per cent, and so far this year there do not seem to be any signs of this improving. As with the passenger traffic situation, airlines and air cargo operators can be found who are doing better than others, and some who will claim that business has never been better. But, overall, the air cargo business which once had seemed to offer so much promise is going through a period of recession, and such business as is available is harder to get.

### Similar factors

To some extent, this is attributable to the same factors as the slackening in passenger expansion—depressed business conditions in the U.S. and Europe, the two great generative areas of world air transport. Manufacturers already faced with steeply rising costs are reluctant to turn to the undeniably more costly technique of air transport for their goods (an attitude that appears to ignore the equally undeniable long-term advantages of air transport); and at a time when business conditions are already difficult there is a noticeable reluctance on the part of many manufacturers to want to experiment with something new. Another factor that may be involved so far as cargo is concerned is that there has been an undoubted increase in the volume of pilferage, especially at some airports in the U.S., notably Kennedy, where the loss rate is now said to be running at a rate of many millions of dollars a year, although to be fair this situation does not appear to be paralleled elsewhere in the world. To some extent, the rises of around 5 per cent in some cargo rates that were agreed by the airline members of the International Air Transport Association at their Singapore meeting earlier this summer have not helped the airlines to sell the concept of air cargo, although they will undoubtedly help to some extent to correct the deficits on air cargo operations that are to be found in many airlines' balance sheets.

The whole concept of air cargo, however, is still one to excite the enthusiasm of many in the air transport business. The "sleeping giant" of aviation is still regarded as the biggest potential long-term source of revenue for the scheduled airlines in particular, and it is not difficult to find cargo men who will argue strongly that

the day will yet come when air cargo yields more revenue than passengers. Already, some independent airlines in the U.K. live solely by cargo, and make money.

The real breakthrough in cargo, like the renewed growth in passenger traffic, must noisily await some improvement in world-wide business conditions. As with passenger traffic, air cargo is a barometer of the general health of industry and economic conditions, and as soon as these improve the rate of growth of air cargo can also be expected to accelerate.

But there are many things the air transport industry itself can do to ensure that when the times comes, it is poised to seize the opportunities that will offer. Perhaps the most important single task is to conduct a major education campaign in depth among businessmen and industrialists, hammering home the "total concept" of air cargo—that is, the rearing of entire industrial processes, from the procurement of raw materials to the distribution of finished goods, to the use of air transport. As things stand, far too many industrialists use air transport as an additional adjunct to the existing surface distribution process.

On top of this, the air transport industry should be planning now to increase its investment in such developments as fully-automated all-cargo terminals, and similar automated ground handling aids, so that the teething troubles that have bedevilled some of these systems in recent years can be ironed out in advance of any substantial increase in the total flow of air cargo.

As yet, too, the industry has still to make maximum use of the new generation of "wide-body" aircraft, epitomised in the Boeing 747 Jumbo jet. To some extent this is due to the fact that the volumes of cargo moving on the kinds of routes to which this aircraft is suited, such as the North Atlantic, are not yet sufficient to justify any substantial increase in all-cargo operations. The Jumbo is probably better employed at this time primarily as a passenger-carrier, with freight being carried in its hold, rather than as an all-cargo aircraft in its own right, although the latter development is certain to come.

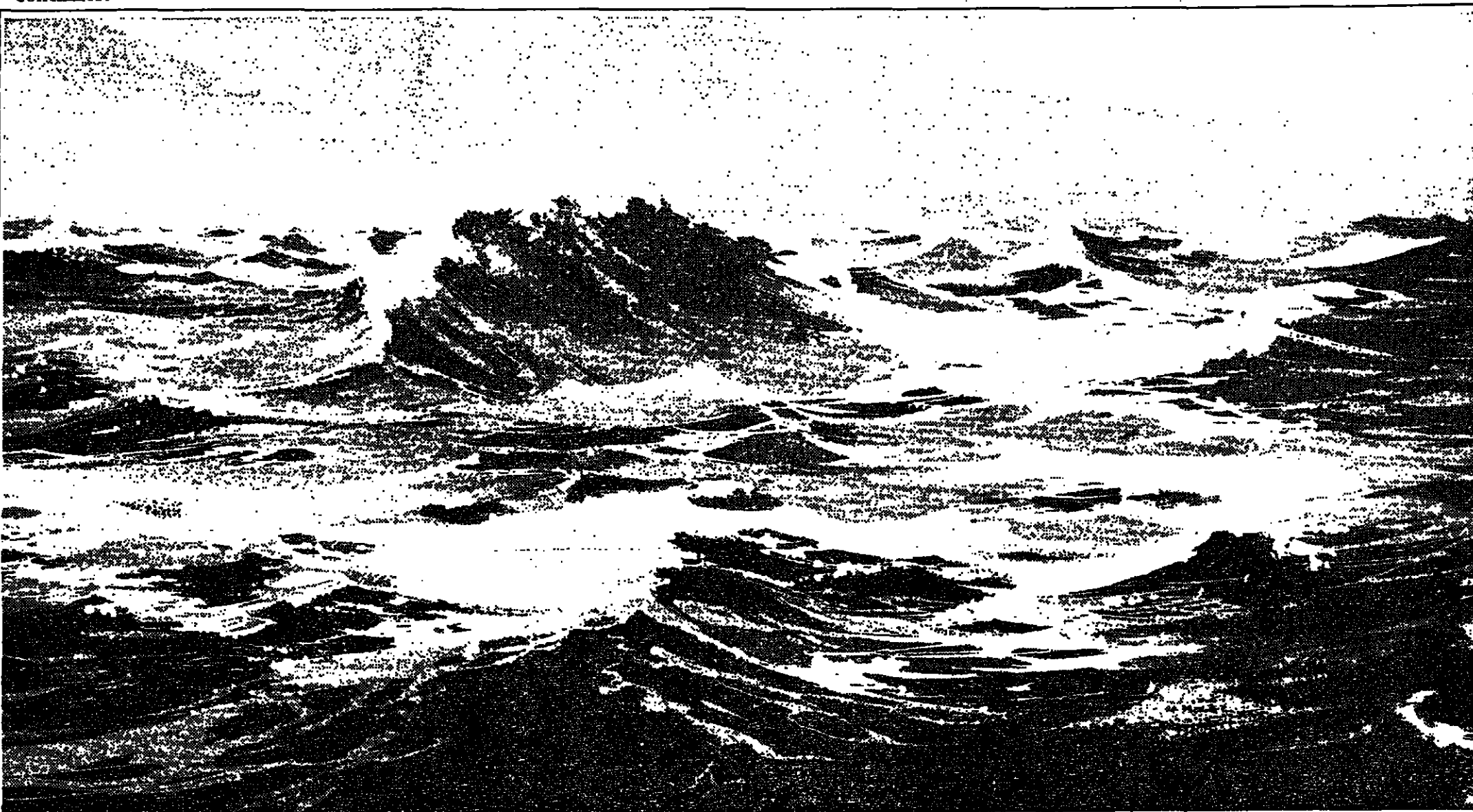
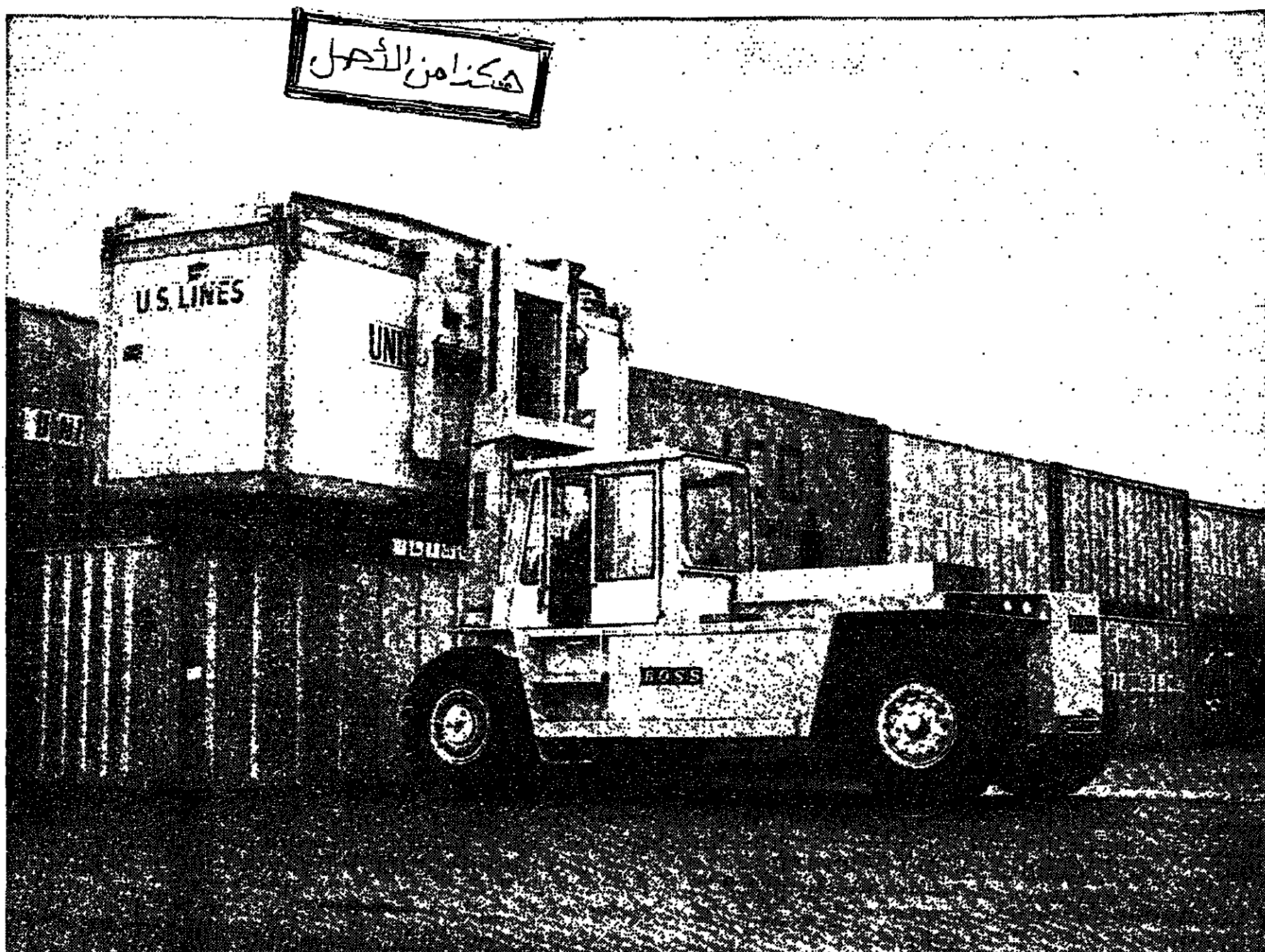
### Slow to adapt

The air transport industry has also been comparatively slow to adapt itself to the container revolution that has had such a profound impact in seaborne trade, with the development of special "container-ship lines" and even "container terminals". Undoubtedly, the advent of the wide-body aircraft—the Boeing 747 is now being joined by the McDonnell Douglas DC-10 and will soon also be joined by the Lockheed TriStar—will stimulate more active developments

in this field. A greater use of containers together with automated handling devices and wide-body aircraft could provide the ground-base from which the air cargo revolution could get rolling.

But in the long run, it is probably pricing policy that will have the most direct impact, and until the scheduled airlines have been able to extricate themselves from their current financial difficulties, it is not likely that they will be able to do much about cargo pricing. The Singapore conference resulted in some rises in rates, and left a number of other issues unresolved. Whether the airlines will ever be able to reduce rates is a debatable point, but if it were to do so, coupled with concentration of effort on the other factors mentioned, it might well be able to look forward to a substantial and profitable future in this area.

### A frontlift truck for toploading a 20-ton container.



# Liverpool's taken another 1,100 million gallons from the Atlantic

## Units—(Cont'd.)

Continued from previous page insulated walls and incorporate heating devices which can maintain temperatures regardless of outside conditions. The same can equally apply to refrigerated systems.

Containers can be built to carry liquids and gas in bulk and are designed to collapse for empty transportation, so reducing cubic volume by up to three-quarters. They can be produced in frame form to contain one or more storage tanks or they can accommodate hopper bins which are loaded at the top and emptied from below. Containers can have soft tops and canvas sides, they can tip and tilt and, in short, provide a satisfactory solution to most transportation problems.

### Major potential

One of the areas of major potential for the container is bulk carrying, although there will be important organisational difficulties to be overcome first. Even so, further development in this sector looks certain and already a range of specialised containers are being produced, as well as some dual purpose models.

Dry cargo containers suitable for alternative loads of general goods and bulk loads have been available for some time and have proved successful in some fields, particularly for the transportation of granulated chemicals.

A variety of open top containers designed for loading with steel coil or rods or heavy machinery have also entered service and there are distinct possibilities for specialised tanks capable of

holding liquids such as beer, wine or fats.

The scope for containerisation in the air is also considerable and the possibilities have been highlighted by the arrival of the Jumbo jet. The holds of this aircraft are so vast that, with a full complement of passengers, it can still carry more freight than an all-cargo 707 jet and already specialised containers have been designed for this purpose.

One problem which confronts airline cargo operators is the question of customs control while containers are loaded and unloaded, but at the same time they are aware that the demand for this type of transportation has mushroomed in a very short space of time and it seems that its popularity will continue to increase in the future.

Alongside all the design developments, the arguments continue about the materials best suited to the wear and tear containers have to withstand during their operational life. There is a wide enough choice, from aluminium to plywood, and every operator will have his own ideas about the most suitable answers to specific applications.

The main ports of the world continue to report annual increases in the level of container traffic handled of up to 30 per cent, while in some countries the rate of growth on the railways is even greater.

The role of containers as a major form of goods transportation is now certainly assured and, as long as world trade expands, their place in domestic and international transportation should only become more significant.

Last July we began to flood Britain's most famous dock at Seaforth and made it Liverpool's New Port—Britain's massive new front door.

Just what does this gigantic concept mean to you?

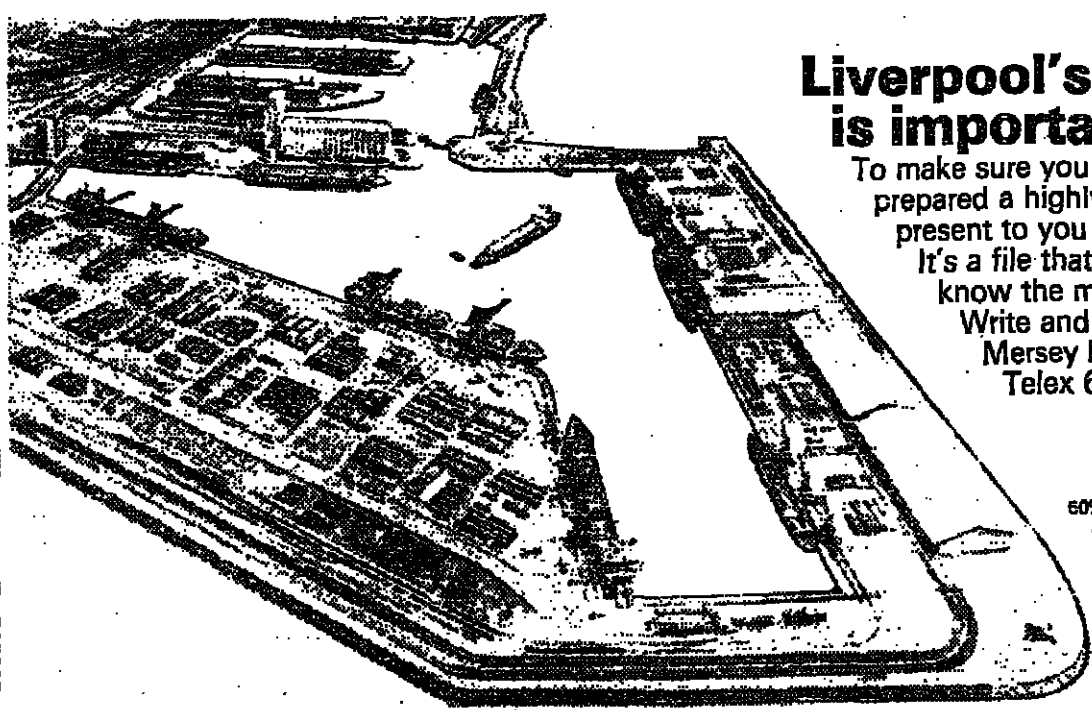
It means a new yardstick by which all other European ports will be judged. Already Britain's biggest deep sea export port, keeping conventional cargo moving to every corner of the globe, Liverpool enters a new era with a £40 million investment to speed the cargoes of the future.

Four deep water container berths with all the room needed for rapid transit. New machinery to break all handling records, and in

the spring of 1972 a new grain terminal which can handle 2 million tons of grain a year and accommodate 75,000 ton bulk carriers. And five more super berths that will be equipped for refrigerated meat vessels, packaged timber carriers and more container ships.

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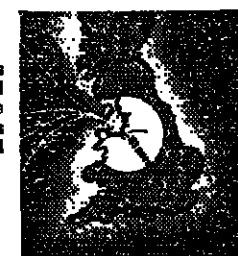
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To make sure you know exactly what's going on at our New Port we've prepared a highly detailed and interesting Progress File that we'd like to present to you free.

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**LIVERPOOL'S NEW PORT**  
BRITAIN'S FRONT DOOR



## CONTAINERS VIII

# The next areas for development

By NORMAN H. TILSLEY, Editor, Freight Management

Before looking in detail at future, containermen generally talk about three potential areas for expansion on a grand scale: Africa, South America, and developing areas such as South East Asia. However, this will be preceded by a rationalisation of the services now operating across the Pacific Ocean, and by the start shortly of the Europe-Far East services.

## Lucrative services

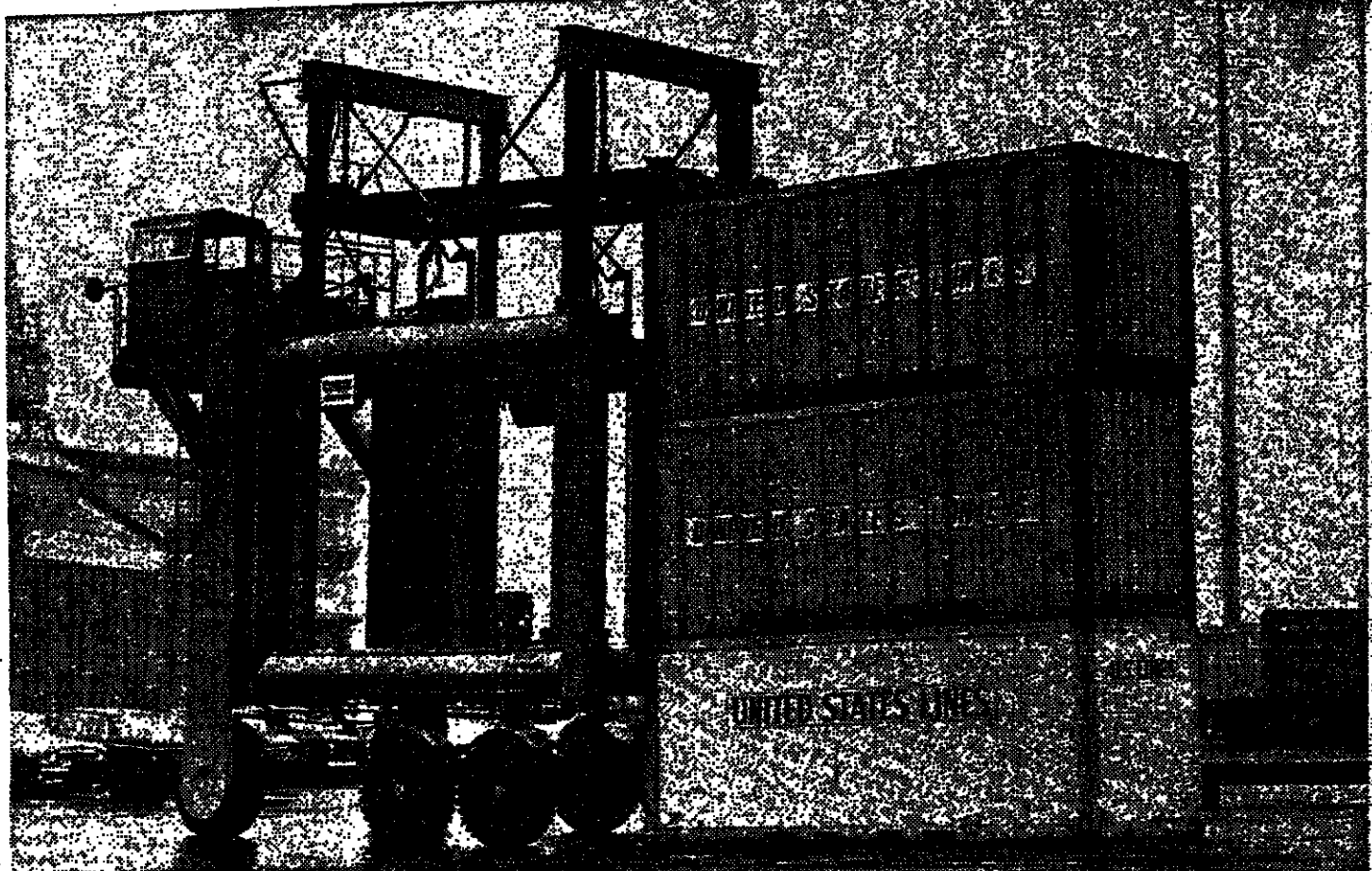
In dealing with the Pacific, it must be remembered that many of the operators who are currently involved in, or have recently withdrawn from, the highly competitive North Atlantic area—the so-called cradle of international, inter-modal containerisation if we exclude the "domestic" U.S. Puerto Rico and Hawaii pioneer routes—are already involved in providing useful and lucrative services in other regions of

the world. For example, Sea Land Services have a network of routes linking both sides of the Pacific, and U.S. Lines has a world-wide service. Other operators involved in the North Atlantic have indirect participation in services covering other areas, too—Atlantic Container Lines, for example; Dart Containerline and Seatrain Lines.

To suggest that containerisation has "arrived" in the Pacific area is only partially true, for in terms of development it is felt within the industry that the Pacific is some two to three years behind the Atlantic—fortunately, perhaps, bearing in mind what has happened on the Atlantic in terms of rates and tonnage. Hopefully, this experience will prevent a serious rates war developing in an area where not only the Americans are heavily committed, but also the

Japanese and others. The chances of history repeating itself on the Pacific are reckoned to be high, though, since there are signs of overtaking, and particularly bearing in mind the recently announced U.S. Government's economic measures which are expected to cut the amount of freight going between Japan and the United States.

As stated elsewhere in this survey, at the turn of the year the Europe-Far East services will begin operating, and next year will see them gather momentum as more and more shippers are persuaded to pattern their international distribution on the container—a prospect that many have been looking forward to for some time, as traditional ship services, plying the original Empire routes, have become fewer and more costly to use, in terms of total distribution.



A Clark carrier stacking U.S. Lines containers at the Gladstone Terminal, Liverpool.

The importance of Singapore and Hong Kong as distribution junctions for South East Asia and west Pacific countries respectively, catering for some hundreds of millions of people, will become apparent as feeder services, now being planned, be-

come operational, although there are problems, since containerisation is capital intensive and not labour intensive.

One particular zone of interest in this area is Indonesia which is looking to attract foreign capital to take advantage of its cheap labour. There is open concern, here, that containerisation will bypass the country because of a lack of container facilities, and that goods will be transhipped via Singapore, putting the Indonesians at a cost disadvantage. The problem of providing capital, running into millions of pounds, for container installations when labour is so bountiful and cheap is common with all developing countries and is actively under consideration. It is understood, by The World Bank.

Following the Far East, the next area for international containerisation is without a doubt Africa. Again, containers have been reaching the continent for some years now. A fairly vigorous service is being operated by African Container Express, a joint venture of Elder Dempster, Palm Line and the Nigerian National Line, using conventional ships. Problems of one-way loading are inherent, and the general view of the container industry is that this will not alter much until South African trades become container-

ised. Lying, as it does, across the Australia-Europe container route, the signs are that this will happen within the next year or so, and will be forced by the Australians themselves.

## Automobile parts

Although South America is currently being served by container services from North America—principally carrying automobile parts destined for plants in Argentina—the signs are that this will build up particularly to Brazil. Similar problems exist here as with Africa—poor road communications and the populace living in the main, near the sea. With the principal inward traffic of manufactured goods and components for motor manufacturers, it is felt that this will stimulate the use of containers in this area.

Container routes, of course, are not confined to the sea, and certain long distance, international routes, have aroused considerable interest in the past. In particular, there is the Europe-Japan container service, pioneered in this country by MAT transport and utilising the trans-Siberian railway system to Nahodka, where containers are transferred to ferries for the sea leg of the journey to Yokohama.

Following a slow build up, the situation has been reached where a regular flow of containers is passing to and from Europe and Japan. However, the continued growth is expected to depend on the quality and speed of the new Far East services, outlying above. Unlike the trans-American and trans-Canada landbridges which received such publicity some years ago, the Siberian route has at least got off the ground and will always provide a useful alternative to the sea route, politics permitting.

One small future development which must not be overlooked is the Ocean Span concept of using Scotland as a landbridge for containers passing between North America and Scandinavia. Greenock (where containers turn round on the Canadian trade) and Leith are the ports nominated for this project, the containers being hauled by road or rail between the two for onward transportation to Sweden and Norway via the existing roll-on/roll-off ferries of Sea Car Transporters Ltd. The Ocean Steam Ship Group. The services already exist and it is understood that through facilities linking Canada and Scandinavia will shortly become a reality.

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## Scope for computers

By TED SCHOETERS

Close analogies can be drawn between computer operations and the ways in which separate packages of goods are drawn together at shippers' premises to be loaded into containers, sent through the transport system to inland clearance depots and distributed to destinations. Similarly business data is drawn together in the preparation room, transformed and passed through the system to be sent to various destinations once the transformation work has been done.

It is hardly surprising then that computerised handling of container operation documents was envisaged by the container companies from the outset. And this early adoption of computer techniques to what otherwise could be an extremely involved, tedious and costly clerical job has already permitted significant economies in the handling operation. More important still is the fact that a new scientific data processing discipline has come into being one of whose subjects is goods handling, but which also covers people handling logistics, materials handling, processing plant location supply and design and so on.

Several large organisations, including Computer Systems International are offering consultancy on all the problems involved in controlling what might most simply be described as large-scale movement of large numbers of people or goods over considerable distances and demanding the use of a number of transport systems.

## Maximum speed

These companies will design a procedure to suit the requirements of users according to whether they require maximum speed, maximum economy or any permutation of factors.

Handling on a global scale is relatively new, and techniques are being improved all the time. Major airlines have been involved in solving some of the knottiest problems that the wide spread of booking points and destinations have provoked, and it is not surprising that CSI should have an agreement with BOAC, whose Boadicea computer system for passenger, freight and airline operation control was the first full-scale operation to be a real success. This agreement is aimed at joint exploration and exploitation of "global" transport systems of which container traffic by sea is an example.

Timing of the container operation was such that the companies involved avoided many of the problems besetting data processing installations earlier in the 1960s. Users could therefore rely more implicitly on computer systems as sources of information and producers of essential documents.

Nevertheless, because operators were at the outset "feeling their way" so to speak, for the best possible systems, the initial demands made on the computer installations were quite straightforward although they are now fitting into the framework of much more complex routines.

## Transport chain

Probably vital to the work of any company in this business is operational management which has to harmonise elements in the transport chain—container lorries, chartered trains, vessels—to avoid loss of time and empty journeys wherever possible.

Other applications of computer techniques fall either into the administrative systems category—sales analysis, accounting, etc.—or into commercial service systems, covering the extensive documentation international transport operations require.

Documentation programmes result in the production of bills of lading, freight accounts, manifests and other essential paperwork. They depend for essential information on data gathered when goods enter the system at an inland clearance depot, processed into a combined transport bill of lading and sent to the local (London) computer centre for checking, freight charge calculation and invoice production.

tion by air so that the computer is the means of communication between despatch and import systems. The result is that all documentation at the receiving end can be completed well before the ship arrives.

Communication is the key word here because the introduction of information links between various world centres will transform computer operations from local batch jobs into quite extensive network procedures.

Where trade routes involve short transit times there is justification for the transmission of the manifest by post office link since it can save two or three days compared with air freight.

But even bigger changes are coming about with the planned introduction of keyboard entry systems which will accept information at regional offices and inland cargo centres for direct transmission to main computer centres, cutting out postal delays and permitting quick validation and better control.

On the operational management side the anticipated benefits will begin to show themselves as traffic builds up and pressure on the equipment control side through reductions in turnaround time—one day less in average time means a saving of two to three per cent on total inventory.

## Empty movement

Reduction of empty movement is a rewarding exercise and computer techniques can and do contribute to this by helping to forecast requirements of containers for export cargo in each area as well as forecasting and predicting clearance times.

It is also possible to provide quickly, costing of alternative means of redistribution. All transactions stay on file and a central office acts as a vetting organisation to trace errors and correct them throughout the whole system. Apart from this trouble-shooting work, there is a daily production of delay reports on any hold-up wherever it may be.

When a container is sent a file is produced by the computer centre listing serial numbers of all containers on board. Matching against accumulated bills of lading for correction this operation gives a further error check and is a preparation for the establishment of the next test. This can take the form of a magnetic tape which is Honeywell to support centres in London, Australia, New Zealand and the U.S.

هكمان الأرحل



## INDUSTRIAL RELATIONS: THE NEW ACT — I

## Operating the labour courts

BY JOHN ELLIOTT, Labour Editor

FULL appreciation of the impact of the Industrial Relations Act must start with the new institutions which will be responsible for operating and enforcing the new laws.

These institutions include a new system of industrial courts, new Registrar of Trade Unions, new Registrar of Employers' Associations, and the Commission on Industrial Relations, which is put on a statutory basis, having created under Royal Warrant in 1969.

The Government has been anxious to ensure that proceedings resulting from the Act should resemble as little as possible normal criminal or civil cases, with the hope that the stigma of "going to court" will not apply to these new civil courts, which are intended to be fairly informal, giving an industrial rather than a legalistic approach.

## Major issues

At the top there is a new National Industrial Relations Court (NIRC), dealing with industrial and other major issues arising from the Act's unfair industrial practices, together with claims for advantages such as union recognition rights. At a lower level, dealing with counts by individuals, are Industrial Tribunals (ITs), which were created in 1964 and whose jurisdiction is extended by the Act. There is also the old Industrial Arbitration Board, which is renamed the Industrial Arbitration Board.

The NIRC has the standing of a High Court with a head office in London and another in Scotland, although it can sit anywhere in the country. For example, it could move to Birmingham if the case it was hearing concerned a Midlands factory. It will have several judges and other members to be able to hold sittings in different places at the same time as the case load rises.

Its head office is its president, who is nominated by the court's other members from the High Court or from the Lord Chancellor and by the Lord

President of the Court of Session in Scotland.

Sitting with one judge on each case are between two and four lay members of the court—although one will suffice if the parties agree in exceptional circumstances, who are individuals with special experience or knowledge of industrial relations appointed by the Queen on the advice of the Lord Chancellor and the Secretary of State for Employment. They are appointed on a three-year contract, full- or part-time basis.

Ideally these lay members would be taken from the ranks of employers, senior union officials and "independents" such as academics, but so long as the TUC boycott of all bodies connected with the legislation exists, it may be hard for the Government to maintain this balance.

The inclusion of these lay experts on the NIRC is an important part of the Government's approach aimed at making the court as industrial and as un-legalistic as the parties and their advisors will allow. This aim is backed up by important provisions written into the new Act governing certain aspects of the NIRC's operating rules, which are made by the Lord Chancellor.

First there is a general facility for the parties to conciliate on their dispute even after they have gone to the NIRC. The Act says: "The rules shall include provision for securing that the Industrial Court shall so exercise its jurisdiction in any proceedings as to enable parties to the proceedings to avail themselves of the services of conciliation officers or of other opportunities for conciliation."

The Act goes on to state that the NIRC, which can sit in public or in private, shall "seek to avoid formality in its proceedings so far as it seems appropriate to the Court to do so." Those appearing before the court can be represented by anyone they choose—counsel, solicitors, trade union or employers' association officials or can appear on their own.

But it remains to be seen how informal and non-legalistic

THE INDUSTRIAL Relations Act which received Royal Assent early in August is to be progressively implemented during the coming months. In its 170 clauses and nine schedules it establishes, for the first time in this country, a general framework of law for industrial relations.

The legislation introduces many new concepts, including new labour courts, legally binding labour agreements, new registration controls on trade unions, and benefits for workers such as the right to belong to a trade union and protection against unfair dismissals. In addition, it also replaces laws introduced between 1871 and 1965, repealing—for example—the 1906 Trades Disputes Act which gave unions virtually total legal immunity from the results of industrial action.

## The full impact

Because the legislation is being implemented in stages, the full impact of the framework will not be felt probably until the end of next spring at the earliest. For example, while the new strengthened provisions for the registration of unions

the NIRC's proceedings become. As traditional courts of inquiry (which may still be set up, despite the new laws) have shown in the past, the conduct of proceedings can vary enormously. Sometimes trade union and employer officials have conducted their own cases as straightforward and industrial issues, while at other times lawyers have changed the whole tone of the proceedings. There will obviously be a temptation for parties in the future to use the intricacies of the Act to help their cases, increasing the chances of the hearings becoming legalistic.

The NIRC will be empowered to make restraining orders telling a party to stop an unfair industrial practice—for instance, a strike or a lock-out. It can also issue interim orders at the request of a party, but only after every effort has been made to give the other affected party an opportunity to be present at the hearing. This rules out ex parte interim injunctions which have often been awarded in the past against unions and their officials involved in sympathy strikes.

Similarly, when assessing the compensation, or simply define the parties' rights, stating who is in the wrong without issuing any order or awarding any compensation, depending on the merits of the case.

## Top limit

The NIRC and ITs will only make awards when they feel it would be "just and equitable" to do so. When compensation is awarded, it will be primarily based on "the loss sustained by the aggrieved party and the extent to which the loss could be attributable to the other party." This means for example that if a company, through an unfair strike, has lost production worth, say, £200,000, but was largely to blame for allowing a state of bad labour relations to develop (possibly by not abiding by the Code of Industrial Relations Practice), the court might decide only to award £50,000, say, against the union, depending on its size and bearing in mind the top limit of £100,000 for the largest registered union.

Similarly, when assessing the

come into force at the end of this week, the provision that unregistered unions will be acting unlawfully when they call strikes which breach employment contracts will not become operative until the end of the year, when the new labour courts are set up.

The Secretary of State for Employment also has to introduce a number of regulations during the next few months specifying how certain parts of the Act should be interpreted—whether, for example, the maximum compensation for unfair dismissal, which is described in the Act as £4,160 calculated on a man's "pay," should be based on his basic rates, his normal basic weekly earnings or his total earnings including overtime. The Secretary of State can also restrict to companies of a certain size the right to use some of the Act's provisions in order to limit the initial work load on the new courts.

Then there is the Code of Industrial Relations Practice which is at present being considered by industry in draft form and which will not appear in its final form until the end of the year. This Code, although not itself legally enforceable, will stand beside the Act

as a sort of "highway code," and whether or not an employer or a union has abided by it will be taken into consideration during cases heard by the new labour courts.

Finally there is the TUC's policy of non-co-operation with the Act, which starts with an instruction to unions not to be registered and continues with further instructions not to use the new laws to gain recognition and bargaining advantages and not to co-operate with the new courts.

## Court action

In explaining the legislation, this series starts by describing the status and role of the new labour courts and changes to other institutions. It will be followed by articles on the registration of trade unions and employers' associations, union membership—including the outlawing of most closed shops and introduction of the new concept of agency shops—effects of the legislation on collective bargaining, effects on strikes and other industrial actions, and finally new rights for the individual, including the unfair dismissals protection.

led by someone not acting with the authority of a registered union, action could be taken against either or both the organisation and its officials.

In addition, recent "attachment of earnings" legislation provides for fines not paid to be deducted from wage packets—so lessening the chance of strike leaders ending up in jail for not paying.

The Industrial Tribunals, which form the local arm of the NIRC, dealing with individual cases, are already in existence. They were established under the Industrial Training Act, 1964, to hear cases about training board levies and have since taken other matters under their wing stemming from various legislation, including the Contracts of Employment Act, 1963, the Redundancy Payments Act, 1965, and the Selective Payments Act, 1966. Their work load will be further increased as a result of the Equal Pay Act, 1970, which is expected to lead to a number of disputes when it becomes operational in 1975.

Now, they also take on new responsibilities under the new legislation—first mostly dealing

with complaints about unfair dismissals. It is estimated that their work load will eventually be quadrupled with other cases including individuals' complaints about union behaviour, agency shop operation rows, and in a few years' time problems arising from contracts of employment. Before the Act there were about 20 ITs sitting in London and six regional centres including Birmingham, Cardiff and Manchester, with a central Scottish office.

They are now being expanded in two tiers. Another six regional branches are being set up outside Scotland including Liverpool and Sheffield, plus six further local district offices.

In the past, ITs have consisted of an independent chairman (normally a lawyer), plus two other members drawn from two lists of employers' and unions' nominees drawn up after consultation with the CBI and TUC. As a result of the TUC opposition to the Act, which has meant its nominees being told to withdraw from the ITs, the Government is changing the arrangements to provide one employers' and employees' panel prepared without needing to consult the TUC.

## Compensation

The method of conducting the affairs of the ITs will be broadly similar to that of the NIRC and regulations governing their proceedings, superseding those contained in the redundancy payments legislation, will be made by the Secretary of State. These regulations can cover items such as freedom of representation, which tribunal should handle which case, powers for the Government to give evidence, and appeal procedures.

But the ITs cannot make binding orders except when they award compensation. IT cases can be referred up to the NIRC either on the instruction of the higher court or at the wish of the tribunal itself. Appeals arising from IT judgments can also be heard by the NIRC, as can appeals against decisions of the Registrar of Trade Unions about unions' rules, funds and behaviour.

The old Industrial Court which was established in 1919 is renamed the Industrial Arbitration Board, which more clearly defines its role. Since 1919 it has handled arbitration cases referred to it by the Government at the request of the parties to a dispute. During the past year, for example, it has prescribed settlements for wage disputes involving journalists in some provincial newspapers, prefabricated building woodworkers and general workers in knitwear manufacturing.

## Contracts

Now it is to be used as the last stage of the legislation's procedures where a union is complaining that an employer is either not negotiating properly within a statutory bargaining unit or is not disclosing enough of his company's information for negotiating purposes. In both instances the claim would be presented in writing by the union after authorisation from the Industrial Court. The Board would then award on the claim which the union had felt was not being treated properly, and the employer involved would be required to implement the award which would become effective as part of the employees' contracts of employment.

The Act also puts the Commission of Industrial Relations on a statutory basis. It is headed as chairman by Mr. Len Neal, formerly of British Rail, with Mr. Conrad Heaton, formerly at the Department of Employment, as deputy chairman. Its total complement is between six and 15 full- or part-time members on contracts up to five years. The CIR will continue with the work on voluntary reforms as a result of references from the Government which it has carried out since it was set up early in 1969, and will also carry out inquiries on cases referred to it by the NIRC—for example, dealing with agency shops and bargaining units—which could lead to its recommendations being statutorily enforced.

To-morrow—The Registration of Trade Unions

## Labour News

## Toolroom strike hits car plants

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

THE was no work in Coventry today for thousands of workers returning from a week's industrial holiday. The third day strike by more than 7,000 tool and associated workers hit the production of the two British Leyland car plants, Jaguar and Triumph, which are working normally. But the strike has run out of gas, laid off 3,500 for the day. The Stoke, Coventry, plant where they are made, and another 4,000 until tomorrow at the assembly plant making engines. Chrysler has lost about £100,000 a day as a result of the Monday stoppage. The Rolls-Royce aero engine works, which has had more than 1,000 laid off, is also affected. The agreement, which determines the toolroom rate each week by reference to the average earnings of skilled production workers, ended on September 27. The employers' association, which has more than 50 members employing about 10,000 workers, has a letter to the other signatories of the district committee of Amalgamated Union of Engineering Workers, which will be considered at a meeting of about shop stewards' next day. The employers' association gives assurances that there will be no reduction in wages of those either directly or indirectly affected, and that there

is no intention to freeze earnings if individual plant bargaining is entered into. Plant bargaining is what the employers want. They say the 30-year-old agreement is both outdated and inflationary. Because of falling demand in the tractor, commercial vehicle and allied industries, the Birmid Qualcast group of foundries, which employs 8,000 in the Midlands, is holding redundancy talks with the unions. It is thought that 300-400 may have to leave from foundries at Smethwick and Wolverhampton. News of the talks, which started during last week's industrial holiday, came too late to prevent a workers' demonstration yesterday against redundancy.

Because of the talks the company suspended notices for 110 at the Darnest No. 2 foundry which, it said, it would have to dismiss because there was insufficient work even for a three-day week or all of them. Commenting on the situation, the company said the foundry had been a busy and successful shop but the strikes and interruptions to production over the past five years had destroyed customer confidence. They had so added to costs that castings previously made at the foundry were now being made by competitors in Spain, Portugal, Germany, France, Belgium and in other foundries in this country.

In another part of the Midlands, about 1,000 skilled workers, members of four craft unions, began a work-to-rule and has an overtime yesterday at the Austin-Morris car body plant at Cowley, Oxford.

This follows the breakdown in pay negotiations.

## Shipbuilding pay claim

BY OUR LABOUR CORRESPONDENT

OVER 80,000 workers in the shipbuilding industry will be claiming next month for big increases and improved conditions in a new deal to replace the present three-year agreement which expires at the end of this year.

The claim, the Confederation of Shipbuilding and Engineering Unions will be making almost identical demands to the Shipbuilders and Engineers National Association, which has already made a deal on its own workers in the industry.

The EEF has described this as a phenomenal claim which would add more than 40 per cent to the industry's labour

costs of around £700m. The engineering employers have also said it would more than wipe out the industry's profits, bankrupt a large number of engineering companies and enormously increase unemployment.

The EEF has yet to make a detailed reply to this claim. In both engineering and shipbuilding the unions are looking for a substantial all-round pay increase and up to 25 a week extra on minimum rates. Their demands also include a reduction in the working week from 40 to 35 hours, more holidays, bigger overtime and shift payments and more lay-off pay. One of the unions' main planks is the steep rise in the cost of living.

More labour news on Page 35.

## Car output up 24%, commercial vehicles 12% in August

BY MICHAEL CASSELL

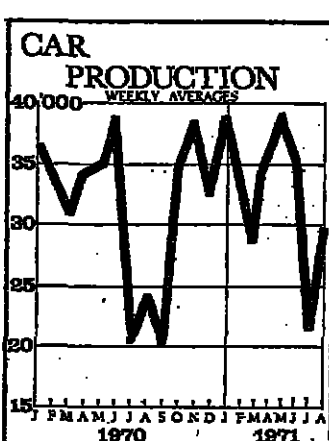
CAR PRODUCTION in August was 24 per cent higher than in the same month last year while output of commercial vehicles was up by 12 per cent.

The Department of Trade and Industry announced yesterday that in the four weeks to August 28 a total of 118,855 private vehicles were produced by U.K. manufacturers compared with only 96,052 in the same month of 1970.

Output in August last year was quite severely disrupted by disputes within the industry, but in the same month this year there was relatively little disturbance from strikes.

Of the month's total production, nearly 50,000 private vehicles were for export markets, compared with 39,000 at the same time last year.

Overall weekly average production amounted to 29,714 units, against 21,436 this July which included holiday periods for all the major manufacturers, and 24,013 in August, 1970. August production of commercial vehicles reached 28,256 units, compared with 25,222 at the same time last year and 27,487 this July. The average rate of recorded output was 7,100 a week



against 6,300 last August and 6,800 in July.

Figures issued to-day by the Society of Motor Manufacturers and Traders indicate average weekly car production by British Leyland fell during July as compared with the same month a year earlier, while the other three major manufacturers increased their average output.

Leyland's July average was only 8,194 units a week, against 8,928 in the same month of 1970. The Triumph and Jaguar/

Daimler divisions of British Leyland increased their average output in the period under review, but production of Rover models and of cars in the Austin-Morris division fell back from the averages recorded in July, 1970.

## Ford and Vauxhall

Elsewhere, however, the production picture was more encouraging. Output from Chrysler U.K. factories averaged 2,801 private cars a week during July, an increase of 820 cars on the same month last year.

At Ford, output averaged 7,537 units each week during July compared with a figure of 7,305 a year earlier. Vauxhall's production also rose from a weekly average of 1,842 to 2,735.

On the commercial vehicle side, Leyland's weekly average output fell from 2,048 in July last year to 1,833 in the same month this year. Chrysler U.K.'s production in this sector also declined from an average of 405 units a week to 353.

Ford, however, improved its commercial vehicle output during July to 2,600 units a week against only 2,233 units at the same time last year. Vauxhall production went up from 724 commercial vehicles in July, 1970, to 1,946 this year.

## Higher London fares likely

BY JOHN HUNT

LONDON Transport Executive has now given the Greater London Council full details of its proposals for a big general increase in fares on buses and the Tube early next year.

Last night a spokesman for the LITE declined to confirm or deny a report that an average increase of 13 per cent was being sought. However, such a rise—which would bring in additional annual revenue of £16m—is not considered unlikely.

London Transport has to get permission from the GLC for an increase and it was known two months ago that it was sounding out the possibility of a fare rise of at least 8 to 10 per cent.

A 13 per cent average jump could result in some fares going up by 50 per cent, while on the Underground there would be the possibility of a 100 per cent rise in lower fares. The Underground fares rise in 5p stages which means that the basic 5p fare might double to 10p.

There is every likelihood of a stiff battle at the GLC before an increase of this magnitude is approved. A rise of 13 per cent would break through the 5 per cent ceiling on price rises agreed between the Government and the Confederation of British Industry.

A spokesman for London Transport said yesterday: "We have told the Greater London Council about our financial needs for 1972. They are considerably higher because of wage and other cost rises since fares were last increased in August, 1970."

"We have indicated to the GLC the scope of the sort of fare changes necessary to meet these extra costs and achieve the financial target set us by the GLC."

The capital debt of London Transport was written off when the GLC took over the undertaking at the beginning of 1970. In return, London Transport agreed that it should pay its own way and put £2m. into general reserve each year.

Sir Richard Way, LITE chairman, has promised that there would be no general fare rise this year but it has been widely expected that there will be an increase next January.

Last night, Sir Reginald Goodwin, Labour Party leader on the GLC, said that he had not been informed of such a large increase. "It seems very high," he said. "I cannot think what has happened to cause such a situation."

The LITE proposals are likely to come up at the meeting of the council's Policy and Resour-

ces Committee on October 20 and go before the full council on November 2.

Editorial comment Page 18

## Stamp fetches £1,150 at Harmer's sale

A SIXPENNY Falkland Islands stamp issued in 1964 was bought by W. E. Lee, a London dealer yesterday, for £1,150 at Harmer's on the first day of the sale of British America stamps. It was one of a sheet of 60 printed in error showing H.M.S. Glasgow instead of H.M.S. Kent. Only two examples are known to exist. The sale totalled £11,098.

At Phillips, in a £12,356 furniture sale, Bishop paid £310 for a pair of 18th-century beechwood fauteuils. A picture sale totalled £8,423. In a sale on the premises of Lightwater Manor, Bagshot, which totalled £5,100, Curs paid £420 for an 18th-century Danish walnut commode.

Wigley £300 for a set of 10 Continental oak-framed dining chairs and Bellerio £290 for an 18th-century Italian giltwood hanging mirror.

## If you're lost in the American jungle, you could use a friendly guide.

In many ways, doing business in the States can be like fighting your way through a jungle.

But there's no need to get lost. Not if you come to the Bank of Boston first.

We're one of the largest banks in America. And the biggest in New England.

We have a wholly owned subsidiary in New York—the Bank of Boston International.

And more than 50 years experience and expertise to back it with. So we can really help.

That help starts right here in London.

It begins when we assign your account to one of our key Account Officers.

Backed by all our facilities, he'll really get to know your requirements. So we can tailor a service to suit them.

He's your friendly guide through the American jungle.

And he's at the Bank of Boston.

All you have to do is find your way to our door. And you'll never feel lost again.

The bespoke bank.



THE FIRST NATIONAL BANK OF BOSTON



The First National Bank of Boston, 5 Cheapside, London EC2. Tel: 01-236 2388. The First National Bank of Boston, International Division, 100 Federal Street, Boston, Mass. Tel: (617) 434-4684 and Bank of Boston International, 2 Wall Street, New York. Tel: (212) 227-8000. Also in: Beirut, Buenos Aires, Luxembourg, Madrid, Nassau, Paris, Rio De Janeiro, Tokyo.







MINING NEWS

# Falconbridge's new copper-zinc venture

BY LESLIE PARKER, MINING EDITOR

AGREEMENT has been reached between Falconbridge Nickel Mines and NBU Mines for the formation of a new company to acquire and develop the latter's Skourou Lake copper-zinc property in north-west Ontario.

This is a \$20m. (80m.) project in which Falconbridge Nickel Mines and Lake Dufault Mines, associated companies in the Falconbridge group, are to provide up to \$10m. each.

NBU Mines is the new name as from last June of New Brunswick Uranium Mining and Mining. The Skourou Lake and Skourou Lake outcrops of the latter's property in the Skourou Lake area were the subject of an outbreak of speculative excitement on the Toronto Stock Exchange last year when Falconbridge, which had an option on the property, pulled up a high value for the shares of the company with interests in the area went ahead strongly.

From the latest announcement it looks as though Falconbridge may have picked one of the eyes of an area which first hit the headlines with Matagami Lake Mines' discovery in 1969. That company's subsidiary, Matagami Mines, has a \$30m. 3,000 tons of ore open-pit mining project being brought to production with a target date of mid-1972.

## MARY KATHLEEN CONTRACT

Mr. Blake Pelly, chairman of Mary Kathleen Uranium, says that the contract for the supply of 1,100 short tons of uranium ore, starting in 1977 has now been signed.

The contract was first announced on February 15 last. It is for a period of 15 years, and together with two earlier contracts, brings the total tonnage committed for export by MKU to approximately 3,800 tons. The company is 51 per cent owned by Considine Riotinto which is an 87 per cent owned subsidiary of Rio Tinto-Zinc Corporation.

## MFC GROUP HAS 713M. TONS COAL

Reserves of 713m. tons of coking and steam coal, which have been outlined in New South Wales by Coalex, the 75-per-cent-owned subsidiary of the Australian Mining Finance Corporation which is a member of the MFC group.

MFC reports a consolidated net of \$193m. (\$30m.) in the year to June 30 but no figures for the previous period are given. It is considered that these could not show a true comparison with changes in group policies and operations. MFC is changing its accounting period from June 1 to December 31 in order to correspond with that of Austmin.

As a result of drastic reorganisation during the past half-year, MFC has reduced its current liabilities from \$11.5m. to \$7m. The new managing director, Mr. J. G. Hamilton, says that \$1 assets net equal 87 cents 10p per share and that the

## RECENT ISSUES

### EQUITIES

Stock	1971	High	Low
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100

### FIXED INTEREST STOCKS

Stock	1971	High	Low
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100

### "RIGHTS" OFFERS

Stock	1971	High	Low
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100
F.P. 100	100	100	100

# English Calico's textile improvement

ON SALES up from £71.7m. to £77.9m., group pre-tax profit of £3m. to £3.5m. in the half-year to July 31, 1971. The figure for the year to January 31, 1971, was £7.7m.

A significant improvement in textile activities in the half-year, particularly in the U.K. and U.S., was partially offset by poor results from retail and papermaking subsidiaries.

The pre-tax figure was struck after allowing for an expected decline in Fyfe's royalties and interest, profit, before tax, was £3,287,000, compared with £3,001,000.

The option granted by Australian Consolidated Minerals to the RTZ subsidiary Conzinc Riotinto of Australia for the latter to take an interest in the big Mt. Keith nickel project in Western Australia has been withdrawn by mutual agreement.

It would have reduced ACM's interest to 5 per cent. The split-up in Mt. Keith thus remains at 10 cents. The chairman, Mr. Keith, says the company's shares are quoted in London at 11 1/2p yesterday.

Now that the August Investments Litigation has been settled, and in the light of further acquisitions, North Flinders currently holds 108,666 shares in the company.

Western Compass Minerals announces a first call of 5 cents (2.5p) on the 4,500,000 issued shares of 25 cents presently paid to 10 cents. The chairman, Mr. Campbell Cooper, says that further funds will be committed to active exploration in view of the encouraging results so far obtained. The London price yesterday was 7p.

## Mining Briefs

MOUNT ISA—Four weeks to September 19, lead ore treated 181,480 tons, produced 6,710 tons crude lead and 14,433 tons zinc concentrates. Copper ore treated 317,166 tons produced 9,860 tons blister copper. Below normal grade lead production reduced the mine down the mine. The plant for seven days so that essential maintenance and repair work could be completed.

## COMPANY DEVELOPMENTS

Company Developments, investment bankers of Solihull, has formed a new wholly owned subsidiary, Company Developments (London), to provide management and investment services to industrial companies, utilising the banking, property and insurance resources of the group.

Mr. Harry Pollak, formerly a director of Keyser Ullmann Industries, has been appointed managing director of the new company. Other members of the Board will be Mr. S. W. Willson (chairman), Mr. A. A. P. Southall, Mr. G. E. Fletcher and Mr. C. E. Warden, all directors of Company Developments.

## STATE INDUSTRIES OVERDRAFTS

Bank overdrafts of the nationalised industries rose by £15.5m. to £177.5m. in the four weeks to September 15. Loans from clearing banks increased £11.7m. to £154.5m., and those from Scottish banks by £4.5m. to £23m.

## Lord Mayor opens Premium Bonds week

SIR PETER STUDD, Lord Mayor of London, opening the City of London Premium Savings Bond Week, yesterday presented certificates of merit for the sale of the bonds by savings groups run by the Bank of England, the Central Electricity Generating Board, United Dominions Trust and Wiggins Teape.

A National Savings display in the forecourt of the Royal Exchange. A competition, with a prize of £50 to encourage the sale of premium savings bonds, along with other attractions, has been organised to publicise the new £50,000 prize.

## Swiss bought £10.8m. U.K. gold last month

FINANCIAL TIMES REPORTER

GOLD WORTH £19.6m. was exported from the U.K. in standard bar form in August—with £10.8m. going to Switzerland.

Out of total such exports of £132m. in the first eight months of the year, Switzerland accounted for £53m., France for £24.4m., and Japan took £22.6m.

Non-standard bar exports came to £7.3m. in August—the group of 75 countries on the Dubai taking £3.3m., to bring their eight-month aggregate to £28.6m. out of overall shipments from the U.K. of £51.7m.

Standard bar imports in August amounted to £38.7m., bringing the eight months' aggregate to £235.2m., with South Africa supplying £24.9m. in August, and £206.3m. in the eight months.

## No-Nail open Luxembourg factory

A NEW factory for No-Nail Group (Kaiser Venesta), manufacturers of plywood/steel cases, at Salford, Chester, has been opened at Littlebrook, Luxembourg.

The plant will enable the company to extend manufacture of the group's product range and will produce both No-Nail and Rivvally cases, 95 per cent of which are used for packaging export consignments.

No-Nail established a factory in Luxembourg in 1962 to meet increasing demand from EEC countries which had been previously supplied by the company's plant in England.

Demand began to outstrip supply in 1969 and No-Nail entered into negotiations with the Luxembourg Government for land and financial assistance for a new factory. It is considered that with the new factory, turnover in the EEC will shortly reach £1m.

## BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends.

Official indications are not available whether dividends concerned are interim or final and the subdivision shown below is based mainly on last year's time-table.

## TO-DAY

Interim:—Bury and Marico, Dickinson Robinson, Greenham House Estate, Hoskins and Horton, Leaderhead (Rivers), Lloyds Industries, Lyon and Levy, F. Miller, Rowntree Macintosh, United Newspapers, Wainwright.

Final:—Advers Group, Leam Bracer, British Land, Diploma Investments, Greenest and Barritt, MPT Warehouse, ML Holdings, Western Doors Tea.

## FUTURE DATES

General and Comm. Inv. Trust Sep. 30  
Harrison (V. C.) Oct. 12  
Lilly (V. C.) Oct. 12  
Nell (James) Oct. 11  
Trust Union Oct. 27  
Woodland Oct. 27

Final:—Advers Group, Leam Bracer, British Land, Diploma Investments, Greenest and Barritt, MPT Warehouse, ML Holdings, Western Doors Tea.

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## 5% interim by Hall Thermotank

IN SPITE of the cancellation of major orders, losses arising from the liquidation of Upper Clyde Shipbuilders and disappointing results from Australia, the directors of Hall-Thermotank expect that the profit before tax for the current year will not be less than the £1.15m. achieved in 1969-70.

In his annual statement in March, chairman Sir Iain Stewart said that with the first quarter past, signs and trends were encouraging. He would be disappointed if in 1970-71 the growth potential of the group did not bring profits back to the level of the 1968-69 record levels.

An unchanged interim dividend of 5 per cent is declared—the 1969-70 total was 13 1/2 per cent.

Following the resignation of Mr. F. I. Geddes and his appointment as chairman of Peninsular and Oriental Steam Navigation Company, Mr. Henry Tetley Beazley, a director of P. and O., is appointed a director of the company.

The group makes marine, industrial and commercial refrigeration, heating and ventilation.

See Lex

## Windsors year should not disappoint

Chairman of Windsors (Sporting Investments), Mr. J. Windsor, tells members that turnover for the four months ended August shows an increase of 24 per cent compared with the same period

trading positions for these metals are exceedingly difficult at the moment.

The chairman says that the waste disposal side is also proving most interesting and a number of contracts have been secured which will prove to be profitable and should allow more capital to be invested in this "fast growing" field.

The steel stockholders division continues to be a growth prospect and although trading conditions during January to April caused some anxiety and reduction in expected profits, there is much hope for the future, he says.

Meeting, Sutton Coldfield, October 20 at noon.

## Lord Mayor opens Premium Bonds week

SIR PETER STUDD, Lord Mayor of London, opening the City of London Premium Savings Bond Week, yesterday presented certificates of merit for the sale of the bonds by savings groups run by the Bank of England, the Central Electricity Generating Board, United Dominions Trust and Wiggins Teape.

A National Savings display in the forecourt of the Royal Exchange. A competition, with a prize of £50 to encourage the sale of premium savings bonds, along with other attractions, has been organised to publicise the new £50,000 prize.

## Swiss bought £10.8m. U.K. gold last month

FINANCIAL TIMES REPORTER

GOLD WORTH £19.6m. was exported from the U.K. in standard bar form in August—with £10.8m. going to Switzerland.

Out of total such exports of £132m. in the first eight months of the year, Switzerland accounted for £53m., France for £24.4m., and Japan took £22.6m.

Non-standard bar exports came to £7.3m. in August—the group of 75 countries on the Dubai taking £3.3m., to bring their eight-month aggregate to £28.6m. out of overall shipments from the U.K. of £51.7m.



**BY OUR MILAN CORRESPONDENT**

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COMPANY NEWS

# Fisons ahead £413,000 in first half

FROM TURNOVER £4.06m. ahead of £4.06m. group profit, before tax, of £1.06m. in the six months ended June 30, 1971.

An interim dividend of 5 pence is declared at a cost of £1.06m. for the previous 18 months ended December 31, 1970, a total of 15 pence was paid from profits of £1.06m. For the calendar year 1970, profit, was shown at £3.85m.

Six months	1971	1970
Turnover	£4,060,000	£3,650,000
Operating profit	£1,060,000	£950,000
Finance costs	(£100,000)	(£100,000)
Profit before tax	£960,000	£850,000
Tax	(£100,000)	(£100,000)
Profit after tax	£860,000	£750,000
Dividend	£1,060,000	£1,500,000
Reserves	£1,060,000	£1,500,000
Assets	£1,060,000	£1,500,000
Liabilities	£1,060,000	£1,500,000
Equity	£1,060,000	£1,500,000

However, overheads have already been reduced, and following further reorganisation, the directors are expecting to return to a profitable basis.

Commenting on the 1970-71 results, the chairman said that the company's performance was satisfactory, the second-half estimate proved to be too optimistic.

The industry as a whole became depressed and in the case of a new resistor has not yet contributed to profits. Also steps were taken to curtail production at Kibby, Lancashire. This policy is expected ultimately to improve profitability but there are still problems to overcome, says the chairman.

Since publishing figures, there has been a further setback in that a Vitrohm Electronics Fabrik, which for a number of years sold some of its products through Dubilier, has now decided to sell direct through a new British company.

Investment income includes the gross dividends receivable during the period from associated companies. Fisons' share of the trading results of these companies has not been consolidated at this time, but it is intended to do this in the Accounts for 1971. The effect should not be significant.

The trading profit was struck after research and development expenditure of £1,449,000 (£1,195,000). This comprised agrochemical division £465,000 (£410,000), fertiliser £199,000 (£160,000), and pharmaceutical £785,000 (£525,000).

Commenting on Britain's proposed entry into the EEC, the chairman Lord Netherthorpe says that Fisons looks forward with confidence to the opportunities arising from the enlarged trading area.

Demand for fertilisers and crop protection products should rise in agricultural and industrial chemicals a substantial and increasing share of group sales already goes to Europe and a progressive elimination of tariffs should mean an improved rate of profit on existing trade and lead to new business which the present level of duties prohibits, states the chairman.

Products of the pharmaceutical division are already manufactured at three locations within Europe and two in the U.K. EEC membership will permit a greater degree of flexibility of manufacture and an improved pattern of distribution.

Growth of the economy of an enlarged EEC should benefit the sales of consumer goods, especially toiletries, skin creams, over-the-counter pharmaceuticals and garden products, members are told.

Statement Page 12 See Lex

## Dubilier Condenser

In his annual review to be presented at the annual meeting in September 30, Mr. S. Soames, chairman of Dubilier Condenser Company (1928), tells members that as a result of certain adverse factors the group is currently not trading at a profit.

## London International

The first class hotel just across the road from the BEA West London Air terminal.

Close to the business heart of London. Just a few minutes from the West End. The ideal hotel for executives, with conference rooms to talk shop in, comfortable bars to relax in—and the famous Renaissance style Cavalier Room to eat in. When you think London—think London International.

Come across to the London International.

## W. INDIE'S SUGAR

Tate and Lyle announces that acceptance of its offer have now been received in respect of over 90 per cent of the Ordinary shares in West Indies Sugar for which the offer was made by holders representing over 75 per cent in number of holders of such shares. Accordingly, action will be taken for 7 and 1/2 compulsory to acquire the outstanding shares.

## DAVID BROWN

David Brown Gen Industries has agreed to acquire the Belgian power transmission company SADI S.A., which will be renamed David Brown-Sadi. The Brussels based company manufactures reduction gearboxes, mechanical speed variators, couplings, and a variety of other products for the mechanical power transmission market.

## Simon Eng. sees lower profits

FIRST HALF profit of Simon Engineering dropped from £1.3m. to £950,000 after £1.45m. (£1.45m. depreciation and directors feel the 1971 total will be "somewhat lower" than last year's £3.76m.

The interim dividend is unchanged at 12 1/2 pence and a maintained 30 per cent total is forecast.

The directors stress that half-yearly figures give no indication of profit trend nor of the level of profit that should be achieved in a full 12 months due to the unexpected incidence of contract cancellations which distorts results for any period as short as six months. Orders in hand are still at a high level, they report, but new orders obtained in the first six months of 1971 are less than were expected and materially below the record intake in the same period of 1970.

## Armstrong Equipment progress

MR. I. HAYLOCK, chairman of Armstrong Equipment, expects the relaxation of the purchase controls and reduction in purchase tax to result in improved demand during the current year. This, together with continued attention to product engineering and manufacturing efficiency, should lead to a continuation of the "substantial progress" achieved in the past five years.

Despite lower sales of £16.78m. against £17.23m., group profit, before tax, went ahead from £1.04m. to £1.25m. in the year ended June 27, 1971.

Although overall business trends were slightly lower in the early part of the second half, the chairman says that the major problem was the loss of several million pounds of turnover resulting from strikes at the group's major customers and at some principal suppliers.

The excellent results were achieved by product rationalisation and by continuing attention to manufacturing methods, he explains.

Concentration on value engineering and upon the updating of facilities and plant continues, and will assure continuing growth provided the overall business level does not reduce.

Results from the four fully-owned overseas subsidiaries showed the anticipated improvement and provided a very satisfactory contribution to overall profits. Mr. Haylock expects the subsidiaries will continue to give enhanced results in the current year.

Meeting, Winchester House, E.C., October 25 at noon.

## Scottish & Mercantile recovery

Profit of Scottish & Mercantile Investment Company recovered from £1,588 to £239,353, before tax of £28,866 (£19,700), in the year to March 31, 1971.

The dividend is maintained at 1 1/2 pence, as forecast, with a final of 6 1/2 pence.

## Bydand deal with U.S. group

Bydand, the leather and chemicals group, is proposing to issue 2m. shares to the U.S. group, Ormont Drug and Chemical. This will give Ormont around 40 per cent of the enlarged Bydand equity.

In exchange Bydand will get the rights to the Makari Skin Tint throughout Continental Europe and Africa, plus 100,000 shares in Ormont, representing 8 per cent of the enlarged Ormont equity. These shares have a market value of around £500,000, which is roughly equivalent to the value of the shares being issued by Bydand.

## BURTON £2.5M. PROPERTY SALE

The Burton Group has sold its property on the corner of Park Lane and Oxford Street for about £2.5m. Contracts are being exchanged to-morrow with a purchaser who does not wish to reveal his name at this stage. This sale is in line with the Burton policy to dispose of properties for which none of the Group's operating divisions are likely to have a use, and to employ the capital more profitably.

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Profit of the subsidiaries disposed of amounted to £54,000 in 1970. They were in the group balance sheet at £298,000, so that there is an estimated capital loss of £118,000.

## Renault to show two new models at Paris

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RENAULT WILL unveil two new models to the fast-back Ford Capri coupe at the Paris Motor Show on October 7, the Renault 15 and 17, but they will not be available in the U.K. until next spring.

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REFERRING to Press reports of fraudulent encashments of Premium Savings Bonds, Mr. A. Curran, the Director of Savings, said today: "A number of inaccurate and seriously misleading reports have appeared about these events. It is therefore most important in the public interest that I should make the following points immediately clear."

1. All the known offences were carried out at London Post Offices within the Metropolitan Police area.

2. The bonds, repayment warrants and authorities to pay which were used in the frauds were all completely false. Genuine repayment application forms were used but they were filled out by the gang so as to appear to have been genuinely processed by the bond office.

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Confusion to bondholders may have been caused by inaccurate reports about watermarks. Premium Savings Bond repayment warrants are watermarked with a crown and the words "State security". The Premium Savings Bonds themselves are watermarked with a crown with the letters "S".

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"The estimated cost—more than £250m.—must give us pause, especially as I cannot see any specific benefit."

## Union evidence on college pay

By Michael Dixon

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The system began live running on August 23 and since then the airlines flying through Heathrow have been connected on a progressive schedule. The system is now serving 18 airlines and HM Customs, with connections to more than 60 freight-forwarding agents.

## ASSOCIATES DEALS

On September 24 Keyser Ullman purchased 200,000 Ordinary of Wrights Biscuits at 45p, 400,000 Ordinary of Moores Stores at 35p and 20,000 Ordinary of Moores at 35p, and sold 25,000 Ordinary of Cavenham at 12 1/2p.

Samuel Montagu purchased 1,000 Ordinary of Reeves and Sons at 85p on behalf of Heenan Bedford.

J. Henry Schroder Wagg sold 235,000 Land Securities 8 1/2 pence, unsecured loan stock at 83 1/2 pence on behalf of associates and purchased 2,500 ICI Ordinary at 32 1/2 pence average on behalf of associates.

Millbank and Co. bought 20,000 Bradford Financial Trust Ordinary at 55p on behalf of London and County Securities.

Hill Samuel bought on behalf of discretionary investment clients 4,250 United Drapery at 148p and 3,500 at 147p.

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## MP fined £250 for currency offences

MR. Michael Grylls, Conservative MP for Chertsey, Surrey, was fined a total of £250 at Camberwell Magistrates Court yesterday for breaches of the Exchange Control Act.

The Costa Brava Wine Company of London, of which he is a director and 40 per cent shareholder, was fined a total of £750 and ordered to pay £250 costs for the same offences.

The magistrate, Mr. M. J. Guymer, said the offences were purely technical and Mr. Grylls had been unaware that he was committing an offence.

Mr. Brian Leary, prosecuting, said there were five counts involving sums varying from about £3,000 to £10,000. These sums had been paid into the Costa Brava company's account to the credit of a Spanish property development company without permission of the Treasury.

Five British people were to use the money to buy property in Spain, which had been advertised in Britain. None of the money had been sent to Spain. All of it had been repaid by the company and Mr. Grylls.

## Smaller businesses "may tend to become too big"

BY OUR OWN CORRESPONDENT

LIVERPOOL, Sept. 27.

MR. ANGUS OGILVY, speaking critically that they have in the here as a company director on past at any proposed merger or take-over and be satisfied in the Merseyside businessmen to-day of heart of hearts that the long-term his concern about the future of smaller businesses.

Addressing the Merseyside Chamber of Commerce, Mr. Ogilvy described one problem in particular which was worrying him—whether or not businesses available to finance small businesses were not tending to get too big. "I am of the opinion that the result of a result of advice from the Merseyside businessmen to-day of heart of hearts that the long-term his concern about the future of smaller businesses.

On the question of the provision of finance, Mr. Ogilvy said he felt that in the years to come there could be a real shortage of risk capital—whether or not businesses available to finance small businesses were not tending to get too big. "I am of the opinion that the result of a result of advice from the Merseyside businessmen to-day of heart of hearts that the long-term his concern about the future of smaller businesses.

## £250m. annual bill for rust now faces motorists

BRITAIN'S motorists now face less than most manufacturers bills for rust of £250m. a year, according to the Automobile Association.

The association's new Midlands and Wales regional director, Mr. Nigel Clarke, said in Birmingham yesterday that rust costs every car owner £20 a year in body deterioration and exhaust replacement.

It was one of the main reasons why an eight-year-old £800 car was worth only £180.

The cure was two-fold, said Mr. Clarke. Better car design cost money and better materials were needed. These cost a good deal Birmingham.

## TRIDENT OPENS REGIONAL CENTRE

Trident Insurance, part of the Shipping Industrial Holdings Group, has opened its first regional underwriting room—in Manchester. This will enable insurance brokers throughout the north-west to deal direct with the underwriters, who are empowered to make decisions on their own account.

## Australia restores exchange facilities

CANBERRA, Sept. 27.

FULL FORWARD exchange facilities were restored to Australian exporters and importers yesterday, the Prime Minister Mr. William McMahon announced.

Exchange facilities have been restricted since President Nixon declared his new trade policies. "With the restoration of these exchange facilities, all restrictions imposed in Australia since the advent of international currency disturbances will have been removed," said Mr. McMahon.

Since August 27, forward exchange facilities have been limited to a period of three months by the Australian Reserve Bank.

"Under the arrangements to apply from September 27, the Reserve Bank will make available facilities to the trading banks which will enable them to provide full cover for their trader customers for the full period for which deferred payment arrangements have Exchange Control approval," said Mr. McMahon.

The Sydney Reserve Bank announced that trading banks could, from yesterday, make a market in spot transactions for sterling.

In the past, banks have been required to carry out sterling transactions at rates laid down by the Reserve Bank, which have been SA2.1429 buying and SA2.1514 selling.

In future, the Reserve Bank will fix the outer limits of the rates and the banks will be free to deal with the public within these limits.

The Reserve Bank announced the removal of the three-month limitation on forward exchange facilities, with rates for forward cover being increased from 10 to 25 Australian cents per month for each £100 sterling.

Reuter

## Renault to show two new models at Paris

FINANCIAL TIMES REPORTER

RENAULT WILL unveil two new models to the fast-back Ford Capri coupe at the Paris Motor Show on October 7, the Renault 15 and 17, but they will not be available in the U.K. until next spring.

The French manufacturer is confident that its new range will provide a significant contender in the increasingly important medium-volume production performance car sector of world markets.

All four models in the range fall into the two-door, front-wheel drive category. The smallest model, the 15 TL has a 1,289 c.c. engine, and the 15 TS, 17 TL and 17 TS models all have 1,565 c.c. engines in different stages of tune.

No prices have been fixed for the U.K. market yet, but the selling price in France is £1,143 for the 15 TL, £1,290 for the 15 TS, £1,458 for the 17 TL and £1,807 for the 17 TS.

Renault also announced yesterday that it will have six models from its nine-model range on display at this year's Earls Court Motor Show. The Renault 12 Estate, introduced in January this year, will be the centrepiece of its stand at the U.K. exhibition.

The models on show will be the Renault 4 de luxe; Renault 4-1100; Renault 12 TL; Renault 12 Estate; Renault 16 TL and Renault 16 TS.

## Statement on Premium Bonds frauds

REFERRING to Press reports of fraudulent encashments of Premium Savings Bonds, Mr. A. Curran, the Director of Savings, said today: "A number of inaccurate and seriously misleading reports have appeared about these events. It is therefore most important in the public interest that I should make the following points immediately clear."

1. All the known offences were carried out at London Post Offices within the Metropolitan Police area.

2. The bonds, repayment warrants and authorities to pay which were used in the frauds were all completely false. Genuine repayment application forms were used but they were filled out by the gang so as to appear to have been genuinely processed by the bond office.

3. There is no ground whatever for thinking that the bond office was in any way involved in the frauds.

4. Holders of Premium Savings Bonds may rest completely assured that their bonds and the prize draws are not affected in any way.

Confusion to bondholders may have been caused by inaccurate reports about watermarks. Premium Savings Bond repayment warrants are watermarked with a crown and the words "State security". The Premium Savings Bonds themselves are watermarked with a crown with the letters "S".

"Inquiries by the police and the Investigation Department of the Post Office are continuing."

## No driving on right if U.K. joins Market

FEARS THAT Common Market entry might mean driving on the right in Britain were groundless, Mr. John Peyton, Minister for Transport Industries, assured the Royal Automobile Club yesterday.

He had "no plans to change the rule of the road in this country," the Minister declared. "I do not see any such change as an inevitable consequence of membership of the Common Market."

"The estimated cost—more than £250m.—must give us pause, especially as I cannot see any specific benefit."

## Union evidence on college pay

By Michael Dixon

THE ARBITRATION tribunal on the pay of teachers in polytechnics and further education colleges heard evidence from unions and local education authorities in London yesterday. The tribunal, headed by Professor John Wood of Sheffield University, is expected to reach its decision within the next few days.

The Association of Teachers in Technical Institutions has claimed increases totalling about 35 per cent. The education authority employers have offered around 10 per cent. The award—delayed by the dispute over schoolteachers' pay—will be back-dated to April 1.

## HEATHROW CARGO CONTROL SYSTEM SOON COMPLETE

The switch to computerised clearance and control that is speeding up the throughput of incoming air cargo at London Airport Heathrow was completed at the week-end.

The set of the 18 airlines involved in the scheme have begun to use the computers of LACES—the London Airport Cargo EDP (Electronic Data Processing) Scheme, operated by the Post Office's National Data Processing Service (NDPS).

Britain is the first nation in the world to control incoming air cargo by computer: the LACES system puts Heathrow at least two years ahead of any other international airport.

The system began live running on August 23 and since then the airlines flying through Heathrow have been connected on a progressive schedule. The system is now serving 18 airlines and HM Customs, with connections to more than 60 freight-forwarding agents.

MP fined £250 for currency offences

MR. Michael Grylls, Conservative MP for Chertsey, Surrey, was fined a total of £250 at Camberwell Magistrates Court yesterday for breaches of the Exchange Control Act.

The Costa Brava Wine Company of London, of which he is a director and 40 per cent shareholder, was fined a total of £750 and ordered to pay £250 costs for the same offences.

The magistrate, Mr. M. J. Guymer, said the offences were purely technical and Mr. Grylls had been unaware that he was committing an offence.



Notice of Annual General Meeting to the Shareholders

Please take notice that the Annual General Meeting of shareholders of Fidelity Pacific Fund S.A. (the "Corporation") will take place at 2:00 p.m. at the Corporation's Principal Office, Mercury House, Front Street, Hamilton, Bermuda on October 18, 1971.

The following matters are on the agenda for this meeting:

- 1 Election of Directors. The Chairman of the Board of Directors has proposed re-election of the existing Directors.
- 2 Review of the balance sheet and profit and loss statement for the fiscal year ended May 31, 1971.
- 3 Ratification of actions taken by the Directors since the previous Annual General Meeting, and
- 4 Such other business as may properly come before the meeting.

Holders of bearer shares may vote by proxy by mailing a form of certificate of deposit and proxy for their shares obtained from the Corporation's Principal Office in Hamilton, Bermuda, or from those companies listed below, to the Corporation at P.O. Box 670, Hamilton, Bermuda. Certificates of deposit and proxies must be received by the Corporation not later than October 15, 1971 in order to be used at the meeting.

By Order of the Board of Directors  
Charles T. M. Collis  
Secretary

Julius Baer International Limited  
38 Mincing Lane  
London, E.C.3, England

Julius Bär & Co.  
Bahnhofstrasse 36  
Zurich, Switzerland

Rowe & Pitman  
Woolgate House, Coleman Street  
London, EC2R 5BL, England

The Bank of Bermuda Limited  
Hamilton, Bermuda

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Luleå, Sweden

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and has been provided by

Orion Termbank Limited The Chase Manhattan Bank, N.A.

The Royal Bank of Canada Sundsvallsbanken

September 22, 1971

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Lavacourt; Winter Monet NATIONAL GALLERY, LONDON.

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Co.  
Benson  
Securities Inter  
Securities Inc.  
American Corpora  
Wood, Struthers  
Rotterdam  
Vereinsbank  
Pabres & Cie



APPOINTMENTS

# Executive changes at Charterhouse Group

The CHARTERHOUSE GROUP has appointed Mr. D. Robson to the new position of group financial director from October 1. He resigns from the Board of Charterhouse Development, of which he has been managing director since joining the group Board in 1968.

Other appointments from the same date are as follows: Mr. M. H. W. Wells becomes managing director of Charterhouse Finance Corporation while continuing as managing director of Charterhouse Japhet. Mr. H. S. Clarke becomes deputy chairman of Charterhouse Finance Corporation. He continues as chairman of Charterhouse Japhet.

Mr. E. G. Cross and Mr. G. D. B. Hopkins, both directors of Charterhouse Development, become respectively managers of Charterhouse Development and Charterhouse Securities, where Mr. Hopkins is already on the board.

Mr. J. E. E. Bowman, Mr. E. G. Cox, Mr. G. D. B. Hopkins and Mr. R. M. Strong, all directors of Charterhouse Development, will join the Board of Charterhouse Japhet. Mr. D. M. Shadit, a director of Charterhouse Japhet, joins the Board of Charterhouse Development.

Mr. J. H. Darton, a director of Charterhouse Japhet, joins the Board of Charterhouse Securities and Mr. J. G. Vaughan resigns from that Board.

Mr. D. F. Dunstan has retired on the Board of the VICTORY ASSURANCE COMPANY and its subsidiary, Treaty Reinsurances.

Mr. H. T. Beazley, a director of minular and Oriental Steam Navigation Company, has been appointed to the Board of HALL-HERMOTANK. This follows the resignation from the Hall-Thermotank Board of Mr. F. I. Geddes. Robinson and Co. and will take up his appointment in November.

Mr. A. C. Parsons (Travers Smith Braithwaite) and Mr. A. W. ardech (Norris Oakley Richardson and Glover) are joining the Board of the ENGLISH ASSOCIATION OF AMERICAN BOND AND LARE HOLDERS on October 1.

Mr. Walter Barrie, who is reducing his business commitments, is resigning from the Board of the glish Association at the end of s month.

Mr. Gerald O'B. Harding has been elected chairman of the rth West area of the BRITISH IPPING FEDERATION. He needs Mr. M. A. Nicolson.

Mr. Ken Thurlow and Mr. John erton have been appointed to Board of D. G. S. COLOUR-INT.

Mr. J. J. Marshall is to become naging director of DUFAY-E DEVELOPMENTS on September 30. He ober L. Mr. Charles Booth



Mr. D. Robson

retires as chairman and from the company at the end of this month. The parent concern is Hanson Trust.

Mr. David P. Cons, Mr. Robert J. Freeman and Mr. Bryan E. Galan, executive directors of the AMALGAMATED INVESTMENT AND PROPERTY COMPANY, have been appointed assistant managing directors.

RECKITT AND COLMAN has appointed Mr. R. P. Briggs director of worldwide development wine and food. He will continue as a vice-president of the French Company, a U.S. subsidiary and will be based in New York.

Mr. H. O. Clark has been appointed director of administration of the WESTERN MINING CORPORATION. He will retire from the legal firm of Arthur Robinson and Co. and will take up his appointment in November.

a non-executive director of APV Holdings, Moss Bros and W. H. Smith (Holdings).

Mr. Gary Dartnall has been appointed to head the first American office of ANGLO EMI FILM DISTRIBUTORS which the company is opening on October 1. He will supervise from New York the distribution of films in the U.S. and Canada and will also handle the acquisition of American product for the U.K. market.

Mr. Oliver Jessel, Mr. Martin Bell, finance director of Jesse Securities, and Mr. Michael Rosenberg of Samuel Montagu, have joined the Board of ROBERT HUDSON, for which Samuel Montagu is the financial adviser.

Mr. Frank Melrose has joined the Board of JEVES U.K. as production director.

MELLAS, a subsidiary of Associated British Foods has appointed to its Board, from October 1, Mr. P. E. Wood, financial controller of ABF, and Mr. M. Short, managing director of the self service stores division of Fine Fare.

Mr. J. C. Sanderson, chairman of Melias, is to retire from full-time duties when he becomes 60 in December. He will continue as a director. Mr. J. G. Gulliver, chairman of Fine Fare (Holdings), will succeed Mr. Sanderson. Mr. Gulliver has been a director of Melias since 1966.

The present general manager of the company Mr. L. Sherwood, who is also a director, has been appointed managing director of Melias from October 1.

Sir Denis Wright has been appointed to the Court of directors of the CHARTERED BANK.

Until his retirement from the Foreign Office earlier this year, Sir Denis had been the U.K. Ambassador in Iran from 1963 and was previously Ambassador in Ethiopia. He is a director of Mitchell Cotts and Co.

Mr. A. H. Sansome, managing director of Metropolitan Cammell, a subsidiary of the LAIRD GROUP, has been made a director of the parent company.

Mr. Kenneth Anderson has been appointed chairman of DUNCAN WALLACE AND CO., a member of the P & O Group. He succeeds Mr. C. A. W. Dawes, deputy chairman of P & O, who has resigned from Duncan Wallace's Board because of other group commitments.

Mr. E. Cameron takes over as secretary on October 1 from Mr. P. J. Hammond who is relinquishing the post to devote more time to his responsibilities as financial director.

## Vehicle and General Tribunal of Inquiry

### Executive tells of difficulties in estimating claims

FINANCIAL TIMES REPORTER

A FORMER executive of Vehicle and General Insurance said yesterday he felt it was almost impossible to estimate an insurance company's liabilities by the methods used by V & G and other insurance companies up to a year ago.

Mr. John Hawkins, motor claims manager of the V & G group, was giving evidence to the tribunal inquiring into the collapse of the company.

One of the reasons for the collapse, it has been stated at the tribunal, was a failure by the company to provide adequately for future liabilities.

#### Various costs

Mr. Hawkins joined the group as a claims negotiator in 1965 at the age of 21. He worked at various levels in the group's branches and at head office, and was appointed motor claims manager last November.

Dealing with the estimating of claims on motor insurance, Mr. Hawkins said: "I do not think it is within the power of any claims staff to accurately estimate claims from files." It was almost impossible to do this.

Making projections with the aid of a computer was far better "than looking at a file and making absolute guesses in your claim liabilities," he added.

Mr. Hawkins said the company was preparing a computer system to replace manual estimating in 1970, but this was not put into operation before the group went into liquidation last March.

Mr. Hawkins added: "The strange thing about the estimates that have been so criticised is that these were compiled by ordinary claims negotiators, such as myself, who had joined V & G from many other companies throughout the market."

"V & G had a great cross-section of staff from a great many other companies, and when they joined V & G they brought with them their previous company's approach to estimating. There was nothing different in our approach as such."

Mr. Hawkins was still giving evidence when the tribunal adjourned until to-day.

### Sun Alliance improves its 'Coverplan'

By Michael Blandin

SUN ALLIANCE and London Insurance is launching an improved version of its "Coverplan," one of the earlier of the group of insurance packages which the company offers.

The new Coverplan provides improved cover for personal and household insurance. It also now incorporates special introductory privileges to Reetokil, National City Trust and British United Provident Association.

The links, which have proved successful in connection with the Homeplan which the group launched at the end of last year, offer special deals for householders and are now being brought into the Coverplan package.

The Annual General Meeting of RHEINMETALL was held in Berlin on August 19, 1971; the following are details of the address to shareholders by Gerichassessor a.d. OTTO PAUL CAESAR, Chairman of the Board of Management, and of the report presented by the Board.

**General Review**

In 1970 the West German gross national product reached an apparent peak with a nominal increase of 12.6 per cent. Real growth, however, came to only 4.9 per cent, the large difference clearly illustrating the overheating of the economy. The official counter-measures taken in the second half of the year proved unavailing, because the excessive upswing in labour costs reinforced the pressure on prices. In terms of wage inflation in the past year, West Germany occupies the leading position among the Western industrial countries.

Contrary to earlier forecasts, the turnover of RHEINMETALL BERLIN AG and the Group as a whole rose in 1970, but the earnings position deteriorated compared with the previous year. Herr CAESAR said. The unusually steep cost increases, notably in the personnel sector, made their full impact in the second half of the year, and could no longer be absorbed by the individual Group companies.

**Turnover and Orders**

RHEINMETALL BERLIN AG and its wholly owned subsidiaries Rheinmetall GmbH, Rheinmetall Elektronik GmbH, Aviatek GmbH, Benz & Hügers GmbH, Benhil Verpackungsmaschinen GmbH, Ludwig Greje GmbH, Laeis-Werke AG, Meyer, Roth & Pastor Maschinenfabrik GmbH and Tornado GmbH reached in 1970 a turnover of DM 290.4m., representing a 16 per cent increase over the previous year. Exports accounted for 21 per cent of turnover.

Adding, on a proportional basis, the turnover of the Group's other holdings—Eisen und Metall AG, Rheinmetall Schmiede- und Presswerk Trier GmbH, Badische Wolframer-Gesellschaft mbH, Nico-Pyrotechnik Hamns-Jürgen Diederichs KG, Elan Schaltelemente Kurt Moersch GmbH and Société d'Application Plastique, Mécanique et Electronique (Formseal), Paris/Falaise—overall Group sales rose by 15 per cent over 1969 to DM 336m.

Orders received by the Group during 1970 totalled DM 435.3m., of which new home business accounted for DM 370.1m. and exports for DM 65.2m. The year-end order book advanced to DM 500.4m., an increase of 49.6 per cent. over the level a year earlier, comprising DM 453.8m. of domestic and DM 46.6m. of export orders. Major long term defence contracts again made a large contribution to the rise in the volume of orders on hand, although the composition of these orders does not always accord with the structure of the Company's manufacturing capacity.

**Defence Equipment**

The defence equipment sector is represented chiefly by the Group's main subsidiary Rheinmetall GmbH, Düsseldorf. Series manufacture has started on the new automatic 20 mm cannon Rh 202, for which demand is also believed to exist outside West Germany. In connection with this weapon, RHEINMETALL has developed a twin field carriage, designed chiefly for the protection of military positions. A large order has been received for the manufacture of this gun carriage, with a preliminary series to be delivered this year and the main series from mid-1972 onwards.

Production and assembly of Leopard tank turrets together with the armament proceeded apace and deliveries were made to Belgium, Holland and Norway. The expected order for the West German forces has meanwhile been received; Italy has also decided to re-equip its land forces with Leopard tanks and placed a corresponding order.

Apart from these major contracts, RHEINMETALL acts as a supplier for weapons systems manufactured by other firms. Employment in the ammunition sector was mixed, with production capacity insufficiently utilised for small calibre ammunition, but better for heavy calibre.

In 1970 Rheinmetall GmbH recorded a 12 per cent. business expansion, but earnings were cut by an unusually large increase in costs. A further rise in turnover, based on the large contracts mentioned, is in prospect for the current year. On the other hand, the unprecedented wage increases of 1970 are causing serious concern since their full effect will not become apparent until this year.

Nico-Pyrotechnik Hamns-Jürgen Diederichs KG, which is in part engaged in the defence sector and in which RHEINMETALL acquired a majority holding in the year under review, successfully expanded its business, mainly reflecting the receipt of government contracts. A profit was shown for 1970 and business is also expected to develop satisfactorily in 1971.

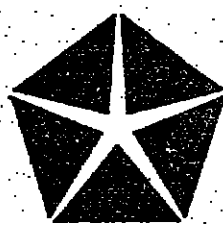
**Machine Building**

The packaging machinery sector, a main component of the Group's activities in the machine building field, was further extended under the leadership of Benz & Hügers GmbH. Despite a slight rise in turnover, the company was not, however, able to avoid a fall in profits because stiff competition at home and abroad limited the extent to which higher costs could be passed on. Towards the end of the year halting investment activity on the part of large customers and mounting export difficulties appreciably reduced the order book, but the shortfall could be partly made good by contracts from other Group companies.

Benhil-Verpackungsmaschinen GmbH, on the other hand, doubled its turnover from trading and component supply; the order book, mainly for packaging machinery manufactured by

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CHRYSLER FINANCIAL CORPORATION

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Due September 1, 1991

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Goldman, Sachs & Co.	Halsey, Stuart & Co. Inc.	Hornblower & Weeks-Hemphill, Noyes	
Kidder, Peabody & Co.	Lehman Brothers	Loeb, Rhoades & Co.	Paine, Webber, Jackson & Curtis
Salomon Brothers	Smith, Barney & Co.	Stone & Webster Securities Corporation	
Wertheim & Co.	Dean Witter & Co.	Bache & Co.	Shearson, Hammill & Co.
A.B.N. Corporation	Allen & Company	American UBS Corporation	Basle Securities Corporation
Bear, Stearns & Co.	A. G. Becker & Co.	Burnham and Company	CBWL-Hayden, Stone Inc.
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Wood, Struthers & Winthrop Inc.		Yamaichi Securities Company	at New York, Inc.

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Bayerische Vereinsbank	Deutsche Bank	Kredietbank N.V.
Lazard Frères & Cie	N. M. Rothschild & Sons	Skandinaviska Banken
		S. G. Warburg & Co.

C. Douglas Dillon

has been elected

Chairman of the Executive Committee

and a Director

Dillon, Read & Co. Inc.

New York, September 27, 1971



RHEINMETALL BERLIN

AKTIENGESELLSCHAFT

STRONG ORDER POSITION ENSURES CONTINUED EXPANSION

The French subsidiary Plastimécanique, was also considerably higher at the end of the year than at the end of 1969.

In co-operation with Benz & Hügers and using Benhil Verpackungsmaschinen as distributor, Plastimécanique S.A. (Formseal) strengthened its position and raised its turnover by 35 per cent. The RHEINMETALL holding in this company has been increased to 66 per cent from 50.6 per cent. Schütz & Grieving GmbH continued to operate satisfactorily as supplier to the packaging machinery sector.

The cold drawn metal engineering sector, in which RHEINMETALL was already represented by Ludwig Greje GmbH, has been considerably expanded through the acquisition of Meyer, Roth & Pastor Maschinenfabrik GmbH, Cologne, whose product range includes wire processing machinery of many types, chain manufacturing machines and other hardware production equipment. The company, which has a much larger business volume than Greje, stepped up its turnover and earnings in 1970, and will contribute to Group profits in 1971.

Ludwig Greje GmbH further raised its sales, despite capacity limitations. A new factory is being built so that existing market opportunities can be more fully exploited. Both firms ended the year with good order positions.

Laeis-Werke AG, which is primarily engaged in producing machinery systems for fine and heavy ceramics and equipment for building materials showed a considerable turnover increase, reflecting invoicing for some large contracts. The company's earnings and order book are satisfactory.

Tornado GmbH's sales of drink dispensers went up in 1970, but business in fastening devices contracted. The stiff competitive situation in both sectors led to lower earnings.

#### Electronics

Aviatek GmbH is mainly active in the development and manufacture of test stand installations for the motor car and aerospace industries. Because of changes in the dates of accounting for contracts, the expected turnover level was not reached in 1970, but a higher sales volume will again be shown in the current year.

Rheinmetall Elektronik GmbH, specialising in the development of electronic products, was in 1970 in the launching stage and its progress came up to expectations.

Elan Schaltelemente Kurt Moersch GmbH manufactures and sells mechanical and electronic process control equipment and assemblies. Its co-operation with other Group companies, especially with Rheinmetall Elektronik, has proved useful. The turnover was raised compared with the previous year. Because 1970 was the first year of Elan's electronics manufacturing activities on behalf of RHEINMETALL and premises were being re-organised and extended, the company showed neither profit nor loss; similar results are expected for the current year when work on the production facilities is due to be completed.

#### Other Holdings

Eisen und Metall AG, Gelsenkirchen, in which RHEINMETALL holds one third of the capital, achieved a higher turnover and remitted a satisfactory profit, despite a business contraction in the second half of 1970 and falling nickel and copper prices. In line with the company's trading expansion, the share capital has been raised to DM 30m. from DM 21m.

Rheinmetall Schmiede- und Presswerk Trier GmbH (Holding 25 per cent.) stepped up sales on the scale expected. Better capacity utilisation led to considerably improved operating results and a profit will be earned in the current year.

Badische Wolframer-Gesellschaft mbH, Södingen (Holding 17.4 per cent.), which supplies ferro alloys to special steel manufacturers, enjoyed good capacity employment and appreciably increased the output of ferro chrome following an extension of facilities.

#### Profit and Investments

As a consequence of the steep rise in costs the Group net profit for 1970 declined to DM 4.5m. from DM 5.25m. in the preceding year, and it was proposed to distribute a dividend of 12 per cent on the capital of DM 37.5m. Income from profit and loss pooling agreements contracted to DM 7.4m. from DM 8.8m. while income from other holdings remained on about the previous level.

Group capital investments totalled DM 16.9m., against DM 14.6m. in 1969. They were largely financed out of depreciations of DM 13.2m. The report, the accounts and the proposals put forward by the Board were adopted.

#### Supervisory Board

(Aufsichtsrat)

Dr. Hans-Löthar Freiherr von Gemmingen-Hornberg, Heidelberg, *Honorary Chairman*; Dr. Hans Ulrich Gussmann, Saarbrücken, *Chairman*; Otto Kranzbühler, Tegersee, *Deputy Chairman*; Dipl. Ing. Ernst Blume, Meerbusch-Büderich; Prof. Dr. med. h. c. Dr.-Ing. E. h. Dipl.-Ing. Leo Brandt (deceased 26.4.71); Dr. Karl Gurt, Bayerisch Gmain; Richard Röchling, Ludwigshafen; *Employees' representatives*: Kurt Flohr, Düsseldorf; Heinz Isel, Düsseldorf; Helmut Pinger, Unterluis.

#### Board of Management

(Vorstand)

Otto Paul Caesar, Düsseldorf, *Chairman* (until 19.8.71); Dr. Friedrich Wilhelm Clauser, Düsseldorf; Dr. Josef Memmen, Düsseldorf (until 28.2.71); Dr. Hans L. Hockel, Düsseldorf (from 1.7.71).

#### GROUP BALANCE SHEET 1969-70

	(DMm)			(DMm)	
	1970	1969		1970	1969
<b>Liabilities</b>			<b>Fixed Assets</b>		
Long-term Capital			Material Assets and Goodwill	69.5	62.8
Capital and Reserves	54.8	54.7	Financial Investments	22.7	17.6
Capital from outside sources incl. long-term reserves	49.9	49.7			
	104.7	104.4			
<b>Medium and short-term Capital</b>			<b>Current Assets</b>		
Reserves under clause 6 b EstG	1.9	2.7	Stocks and Advanced Payments	112.4	79.7
Other	96.5	77.3	Liquid Assets	60.6	41.6
Group Profit	4.9	5.2			
	103.3	85.2	Less Advance Payments Received	173.0	121.3
				135.3	82.1
			Debtors (Trade)	37.7	39.3
			Other	58.2	44.1
				18.9	25.9
				115.3	109.3
	208.0	189.6		208.0	189.6



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## New advice on old rail lines

BY RAY DAFTER

THE GOVERNMENT wants local planning authorities to have more say in the development of disused railway lines. British Rail said yesterday that it had 4,200 miles of closed railway lines which had so far not been sold. A joint circular from the Department of the Environment and the Welsh Office says the present procedure for the disposal of lines does not ensure that the land is put to the best use in the public interest. The closure of lines provided an opportunity, which was unlikely to recur, for considering possible linear use of the land, such as roads, footpaths and bridleways. Other non-linear uses, such as agriculture, should also be considered. At present, British Rail must offer the land to local authorities, and if they decide not to purchase, the land must be disposed of "in accordance with normal commercial practice."

### LLOYDS INDEX OF DEPOSITS

The Lloyds Bank Index of Net Clearing Bank Deposits rose 1.1 points to 144.4 in the four weeks to September 15. The index, which is seasonally adjusted, has a base of 100 in 1963. The Net Current Accounts Index gained 0.5 to 137.2 and the Deposit Account 0.5 to 176.6.

## Law Reports

### Sackings: questions 'should have been put to Maxwell'

FORMER Labour MP Mr. Robert Maxwell should have been asked questions preventing the defendants from explaining why he had dismissed a number of senior executives over a short period, Mr. Justice Forbes said in the High Court yesterday. Inspectors investigating the affairs of Pergamon Press and another company had criticised Mr. Maxwell after hearing of the dismissals, the Judge said. "There may be no dispute on that finding, but when the inspectors go on to make a criticism of Mr. Maxwell and his stewardship, that is a matter which should have been put to Mr. Maxwell," the judge commented. "He might have had some explanation for it."

The criticism was contained in the inspectors' interim report. Mr. Maxwell of Headington Hill Hall, Oxford, is asking the court to halt a Department of Trade and Industry inquiry by Mr. Owen Stabile, QC, and Sir Ronald Leach, a City accountant, into Pergamon Press and International Hearing Systems Corporation. He claims that the inspectors have been unfair to him and wants an action, which he is bringing against the Department and the inspectors, to be heard first. The hearing was adjourned in that action, Mr. Maxwell until to-day.

### Former mayor drops part of appeal

A FORMER Battersea mayor, while he was chairman of the Sidney Frederick Charles Sporie, 49—who is serving a six-year jail sentence after conviction on seven corruption charges—sought leave before three Appeal Court judges yesterday to appeal against conviction on four counts. His counsel, Mr. John Hazen, QC, told the Lord Chief Justice, Lord Widgery, sitting with Mr. Justice Donaldson and Mr. Justice Eveleigh, that he could not argue at the same trial for corruption charges. Sporie was convicted at the Old Bailey on March 24. The charges alleged that he corruptly agreed to receive payments from companies in connection with a £6m. council housing project. The hearing continues.

### Sales by trade groups expand £35m.

BY MICHAEL CASSELL

COMBINED SALES of general retail, wholesale and productive societies during 1970 reached £1,773m., an increase of £35m. on the previous year. Part III of the report by the Registrar of Friendly Societies shows the total sales for general retail societies, which run shops and stores under the "Co-op" sign, were £1,112m. during the year—£15m. more than in 1969. At the same time, sales of wholesale and productive societies reached £661m., an increase of £20m. on the year before. The Registrar points out that the number of general retail societies continued to fall during the year under review, chiefly as a result of societies merging to form larger units. At the end of last year only 68 of these had resolved to merge or terminate their operations. In 1970, there were also reductions in both the number of society members, which fell from 523,000 to 117,73m. The report reveals that sales of the Co-operative Wholesale Society, the Societies of the Co-operative Tea and Food Societies, and the Co-operative Food Societies, which together with the Co-operative Society of Great Britain and Ireland, account for 97 per cent of sales transacted by wholesale and productive societies, continued to fall during the year under review, chiefly as a result of societies merging to form larger units.

### HATTERSLEY STELRAD LIMITED

At the Annual General Meeting held on September 27th resolution was passed changing the name of the Company to:

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- ★ SALES increased by 30.74%.
- ★ GROUP PRE-TAX PROFITS increased to £1,287,225 (£1,135,000 compared with estimated £700,000 for 1969/70 excluding results of acquisitions).
- ★ EARNINGS PER SHARE increased from 8.47p to 14.25p and after charging exceptional items from 8.28p to 10.93p per share respectively.
- ★ The Directors recommend a final dividend of 22½p giving a total of 37½p (last year 35%).
- ★ In the current year, sales of steel radiators and boilers are comfortably ahead of those for the same period in year and the order book overall is running at a high level. If the same pattern of trade continues, I anticipate a further increase in profits and in earnings per share.

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Key points of Chairman's Statement for year ended 31/12/1970

Profits: increased to a record level.

The Year at a glance:

	1967	1968	1969	1970
Profits	£214,771	£240,032	£194,781	£241,565
Net Rentals	£98,304	£123,868	£125,492	£145,585
Total Assets	£3,222,414	£3,404,511	£3,782,473	£4,244,558

Future Prospects: The results so far show a further increase in turnover and profits and it is anticipated that 1971 will show an increase in profits of approximately 15%. Copies of the Report and Accounts can be obtained from the Secretary at 15, Grosvenor Crescent, W.1. B15 3AZ.

#### NEW ISSUE

These bonds have been sold outside the United States of America. This announcement appears as a matter of record only.

September 28, 1971

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# Labour may go ahead with car insurance plan

By Roy Rogers, Labour Staff

A DECISION to push ahead with that the party's target of £1m. a year would only hit agents to the tune of about £3 a year, but the plan is expected to be approved by the party's executive committee on Friday, despite opposition from members in insurance. Two meetings have been held recently between executive members and leaders of the party, the National Union of Insurance Workers, the Transport and General Workers' Union and the Co-operative Insurance Society. The plan is to sell motor insurance through the party's constituency parties. It is calculated that at 10 per cent commission, Labour Party funds could benefit by £200,000 a year.

## Agents angered

However, this plan has angered insurance agents who feel that such a move would be taking money out of the pockets of the industry's 35,000 agents. The executive has discounted this, saying

## Cotton and gas training levies cut

Two industrial training levies announced yesterday by Mr. Robert Carr, the Employment Secretary, show reductions on last year.

The Gas Industry Training Board levy for the year ended March 31 last is reduced to 1.05 per cent of payroll as against 1.5 per cent. The Cotton and Allied Industries Training Board levy is reduced to 0.85 per cent of payroll as against 1.5 per cent.

In this latter case the first £5,000 of payroll will be excluded from the levy assessment and levy is then £10 will not be collected. This is an increase on last year's exemption limit of only £2,500 of payroll was excluded.

The gas industry levy will be used to make grants for staff training. Grants will also be payable for natural gas conversion training projects. A new grant for heavy goods vehicle training has also been introduced this year.

The cotton and textiles levy provides for grants for external correspondence and evening classes.

See: ST 1971 No. 1538, SO 6p. Edition: No. 1539, 7p.

## MORE WOMEN JOIN STOPPAGE

ABOUT 800 women members of the Drapers and Garment Workers' Union at Nottinghamshire and Derbyshire factories of the Northern Foundation garment group are on unofficial strike over a pay claim.

The dispute started with a walk-out on Friday by more than 250 women at a factory at Alfreton. A meeting at the factory gates yesterday voted to continue the strike which then spread to factories at Beeston, Huthwaite and Somercotes.

Management and union officials are to meet this morning and a report will be made to the strikers later in the day.

## TGWU OFFICERS ACCEPT DEAL

The 500 national officers of the Transport and General Workers' Union have accepted a £3-a-week pay offer, despite opposition from the 25 national officers and regional secretaries who were seeking a percentage increase to meet their differentials over other officials.

An increase of nearly £700 a year had been claimed for district officers, with pro rata increases for other grades, giving a new minimum of £2,500 a year. Under the deal, which is estimated to provide an average increase of 10 per cent, national officers move up from £48 to £58 a week.

# ICI signs union pact with clerks

By Our Labour Staff

IMPERIAL Chemical Industries has signed a procedural agreement with the Association of Clerical, Technical and Supervisory Staffs (the clerical section of the Transport and General Workers' Union) recognising shop stewards for junior clerical grades.

The agreement with ACTSS—one of several white-collar unions which have been trying for some time to get negotiating rights at ICI—does not affect the company's policy of negotiating through staff committees.

The procedure allows for the election by secret ballot of ACTSS "stewards" in sections where ACTSS has a "reasonable" level of membership—that level will be decided by local management in consultation with ACTSS. It also sets out an agreed procedure for grievances.

Both parties have agreed that it is entirely at the discretion of the individual worker whether he, or she, joins an appropriate trade union and staff will maintain the right to make representations through their existing staff committees.

ICI has been resisting pressure from ACTSS and the Association of Scientific, Technical and Managerial Staffs for negotiating rights. It has taken strength from a recent survey which showed staff were more concerned with obtaining bargaining rights for staff committees than for trade unions.

# NUBE accused of 'empire building'

THE National Union of Bank Employees' City of London recruiting campaign has upset the Council of Bank Staff Associations, which announced yesterday that at its next meeting it is to consider a suggestion calling for the sub-heading: "The only national staff body solely concerned with banking" to be added to its letterheads and publications.

CBSA, the majority staff representative body in the clearing banks, works with the National Union of Bank Employees in the banking staff council but, said CBSA chairman Mr. Cyril Kempson yesterday: "Although we have a firm working relationship with NUBE, we feel they are behaving unwisely in recruiting membership from insurance and other spheres outside commercial banking."

"NUBE has complained about ASTMS poaching their members, but this is exactly what it is setting out to do to others. Staff associations recruiting outside plants of GEC-EE."

The action is being taken because of the company's refusal to negotiate a company-wide agreement covering redundancy payments. The management says redundancy arrangements are a matter for consultation and negotiation by management and

# UCS men 'putting fresh start at risk'

By Richard Evans, Lobby Correspondent

EVIDENCE of the Government's growing impatience with workers' resistance to the break-up of Upper Clyde Shipbuilders came yesterday from Sir John Eden, Minister for Industry.

In speech at Sheffield, Sir John warned the shipyard workers that the chance of a fresh start on Clydeside would be put at risk if there were continued intransigence and a refusal to face facts.

He argued that the collapse of UCS had shown the self-defeating effect of inflationary wage settlements in all their harsh reality.

## Rising costs

Sir John admitted that towards the end of UCS there were welcome improvements in productivity but rising labour costs had dissipated any advantages this might have brought.

In any case, Sir John pointed out, advances in productivity came too late to arrest the decline in the company's financial position. "We can be sure that it was not only the inheritance of unprofitable contracts that helped to pile up £28m. in net liabilities," he added.

The stark truth was that whether it be on Clydesdale or anywhere else, without some realism in wage settlements and manning agreements it was just not possible for anyone including a Government to achieve a profitable operation.

And without the prospect of viable operations, the determination to strive for it, it would be wrong to throw in more subsidies from public funds," Sir John said.

## Energy and money

But now there was the chance of a fresh start. Honourable men with a deep faith in Clydeside had come forward prepared to commit their energies and their money in a final attempt to build the foundations for a sure future.

"There is no doubt that all this would be put at risk if there were continued intransigence and a refusal to face facts."

Sir John believed that the lesson of UCS was a simple one—the truth was that the inefficient deployment of labour and the underemployment of capital combined with steadily rising costs led companies ill-equipped to cope with a period of low economic activity.

ASTMS plans one-day strike against GEC

A ONE-DAY strike is to be staged by 20,000 members of the Association of Scientific, Technical and Managerial Staffs at 160 plants of GEC-EE.

The action is being taken because of the company's refusal to negotiate a company-wide agreement covering redundancy payments. The management says redundancy arrangements are a matter for consultation and negotiation by management and

employee representatives of the establishments concerned. The association is also to oppose any redundancies at any of the group's factories and over the next few days mass meetings are to be held during working hours at key GEC-EE plants.

Mr. Don Groves, divisional officer of the ASTMS, said that date of the strike was being kept secret. The union is keeping better extra payments until other work is found and guarantees over pensions and other rights. Mr. Groves added "Action will continue until we get satisfaction."

Mr. Bill Porter, district organiser of the GMWU, said the men were angry because the company paid off a number of labourers and then engaged contractors' men to do the same work.

THE three-week-old unofficial strike by 130 dockers at Tyne Dock, South Shields, was called off yesterday and the men resumed work immediately to clear a backlog of nine ships.

Soon afterwards officials of the Port of Tyne Authority and the General and Municipal Workers' Union began talks on a new productivity deal in line with proposals in the Devlin Report on the docks industry. The men will meet again on Thursday to hear a progress report on the talks.

At Jarrow, about 130 ancillary workers at the Mercantile dry dock, walked out for a one-day token strike. The men also banned overtime.

Mr. Bill Porter, district organiser of the GMWU, said the men were angry because the company paid off a number of labourers and then engaged contractors' men to do the same work.

NO STANTON IRON SETTLEMENT

The week-old unofficial strike of about 900 ironworkers employed at Stanton and Staveley, near Ilkeston (Derbyshire) is to continue.

About 600 of the strikers decided yesterday to stay out despite an appeal by Mr. Geoffrey Somes, district organiser of the General and Municipal Workers' Union, for the men to go back while negotiations continued.

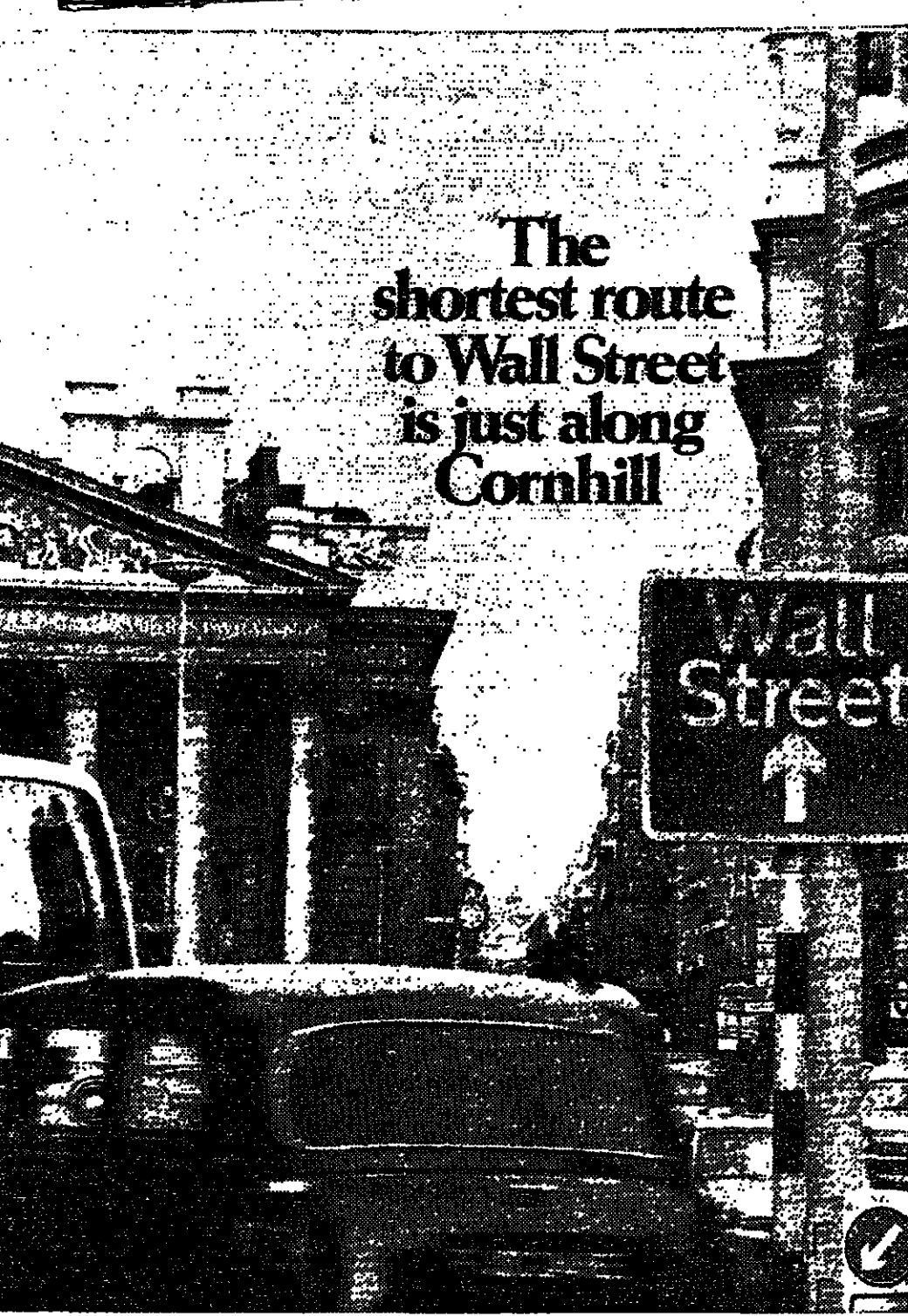
The strikers want management to revise its offer of £1.25. About 1,000 tons of pipe production is being lost daily.

SHOE MACHINERY STOPPAGE

More than 250 maintenance engineers employed nationally by British United Shoe Machinery went on strike yesterday in support of a claim for £3 a week increase.

They are members of the Association of Scientific, Technical and Managerial Staffs. The strike affects the company's headquarters at Leicester and six other factories in the Midlands, the North and the West, all of which were being picketed yesterday.

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## WARD & GOLDSTONE LTD.

Year ended 31st March

1971 1970

Turnover £'000s 22,780 18,141

Trading Profit £'000s 2,718 1,923

Depreciation 665 566

Bank Interest 81 133

Profit Before Tax 1,954 1,241

Cash Flow 1,290 820

Dividend 20.0% 15.0%

Dividend Cover 2.1 1.6

Copies of the full Report and Accounts may be obtained from the Secretary, Ward & Goldstone Ltd., Salford 6.

## Broadbent-Bird License Terminated

Thomas Broadbent & Sons Limited of Huddersfield, England, and Bird Machine Company of South Walpole, Massachusetts, U.S.A., announce their termination of the license under which the former has manufactured and sold the Bird continuous centrifuge line since 1961 under the name of "Broadbent-Bird".

On quotations made after September 30th, 1971, Thomas Broadbent & Sons Limited will supply only its own make of centrifuges of this type under its own name in competition with the Bird centrifuges.

Bird centrifuges will be quoted and supplied in the United Kingdom and other sales territories of the terminated license by the manufacturing licensee in Germany since 1955, Klockner-Humboldt-Deutz A.G. through British Deutz Ltd., Essex Hall, London, England.

For customer convenience, Thomas Broadbent & Sons Limited and Klockner-Humboldt-Deutz A.G. will each make available parts and service for Broadbent-Bird centrifuges (and Vickers-Bird centrifuges made under prior license) and requests therefore may be addressed to either company or to Bird Machine Company.

## BROADBENT

Further information from: The Chairman's Office, THOMAS BROADBENT & SONS LIMITED, Huddersfield, Yorkshire. Telephone Huddersfield (0484) 22111











## WALL STREET + OVERSEAS MARKETS

## Lower levels in lethargic trading

BY OUR WALL STREET CORRESPONDENT

PRICES DRIFTED LOWER in quiet trading on Wall Street today, but the close was above the worst following some late bargain hunting.

After falling 7.67 to 881.64 just half an hour before the close, the Dow Jones Industrial Average finished at 883.47, for a net loss of 5.54 on the day. The NYSE All Common Index lost 30 cents to 833.96, while declines led gains by 900-to-300. Trading volume dropped by 3.28m. shares to 10.23m.

Market operators said the lethargic trading and the "inevitable" decline was caused by wary traders sticking to the sidelines, while awaiting further amplification of the Administration's economic plans.

A statement by Dr. Arthur Burns, Federal Reserve Board chairman, that he was uncertain of the outcome of the new economic plans added to economic uncertainty.

Some additional hesitancy was brought about by the current international monetary fund meeting in Washington.

Oils were generally lower, with companies involved in the North Slope of Alaska field. Analysts said there was some uncertainty over whether a go-ahead will be given on the controversial Trans Alaska pipeline.

Atlantic Richfield slipped \$1 to \$69. Standard Oil of Ohio declined \$1 to \$85.5, as did Jersey Standard to \$48. Amerasia Hess were off \$1 to \$54.

Among Blue Chips, General Electric were down \$1 to \$60. Alcoa lost \$1 to \$50.1, following an adverse Press comment questioning future earnings possibilities.

Motors also tended lower, with Ford down \$1 to \$70. General Motors and Chrysler each edged fractionally, while American Motors were unchanged.

Retailers were mixed. Sears fell \$1 to \$93 but Woolworth edged up \$1 to \$32.4.

National Cash Register dropped \$2 to \$35, reflecting adverse Press comment.

Westinghouse firmed \$1 to \$95 but Eastman Kodak climbed \$1 to \$84.

Chemicals also suffered setbacks. Dow lost \$1 to \$70 and Union Carbide also gave way \$1 to \$45.

RCA came back \$1 to \$35.1, following its recovery eighth day, as it announced its withdrawal from the computer field.

Bausch and Lomb, closed \$2.15 up at \$130.1, after falling nearly \$5.

A stock steeped for \$215,000, which was \$10,000 less than the previous sale on September 10.

Prices were also easier on the American SE, where declines led gains by five-to-two in a volume of 2.5m. shares.

Tesoro Petroleum led the active list and gained \$1 to \$33.1. Imperial Oil were lower \$1 to \$22.

Lightly traded STP fell \$2 to \$31.1.

## OTHER MARKETS

## Canada gives ground

Most sectors gave ground in moderate trading on Canadian Stock Markets yesterday. Western Oils dropped 4.45 on index, Industrials declined 2.05, Banks dipped 1.70. Base Metals lost 1.44 and Papers shed 1.00. Only Golds moved against the general trend, rising 0.31.

Off \$2, or more, were Phillips Petroleum and Electrobome. Down over \$1 were Pacific Petroleum, John Labatt, Simpson, Sears, Royal Trust, Ocean Cement and Fort Simpson.

BRUSSELS—Belgian stocks extended recent losses, including St. Germain, Sofina, Petrofina, Arbed, Cockerill, Union Minière, Wagons-Lits and ACEC.

In the French sector, American Petrofina were easier but Canadian Petrofina firmed. Uginie Kuhlmann fell in French issues. Germans were barely changed, while Golds were lower.

GERMANY—Prices generally recovered up to D13.3. Major Banks led the rise, gaining up to D13.3, followed by Commerzbank. Stores also firmed strongly. Leading Chemicals and Electricals improved, as did Steels and Motors.

In Bonds, Public issues gained up to 1, with Foreign Mark Loans narrowly mixed.

AMSTERDAM—Internationals rallied after recent weakness. Hoogovens further improved. Flis 5.2.

Shipments closed mixed, with KNSM slipping further, but Van Ommen were firm. Most Plantations advanced. Gains in Banks were led by Algemeen, Bank Nederland, up Flis 4. Investment funds were mixed. Local industrials were higher by Heineken, up Flis 4.5. Insurances also edged higher.

Most State Loans were slightly up. SWITZERLAND—Markets were slightly mixed, with small losses predominating in very quiet trading. Dealers were reserved in view of uncertainty over the future of international currencies.

STANDARD AND POORS U.S. STOCK INDICES

Sept. 27 1971

IND. DIVIDEND YIELD P.C.

N.Y. SE ALL COMMON INDEX

AMERICAN SE ALL STOCKS AVERAGE

NEW YORK

RAILROADS

INDUSTRIALS, ETC.

ATC

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Industrials moved slightly lower with Sandoz off Frs.60.

In slightly mixed Banks, Volkswagen weakened. Hoescht, which had closed barely steady despite its dividend increase.

State Bonds were little changed in quiet dealings.

Dollar stocks moved narrowly, Dutch internationals generally well maintained. Germans firmed.

MILAN—Industrials were generally depressed, with IRI down 15 to 1,380 and Fiat down 14 to 1,390. Montedison, Sella Viscosa and Olivetti all shared in the general downturn.

Insurances, however, were higher, but gains were mostly modest. Assicurazioni Generali gained Lire 100 to 51,100. Finisil was volatile, with Finisil moving between Lire 1,440 and Lire 2,060 before closing Lire 5 higher at 2,060.

Major firming Lire 51 to 2,800 but La Centrale shed Lire 10 to 5,330.

Bonds were firmer. PARIS—Share values made largely technical gains after the extensive losses of last Friday.

STANDARD AND POORS U.S. STOCK INDICES

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N.Y. SE ALL COMMON INDEX

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Firm sectors included Oils, Chemicals, Motors, Rubbers, Metallurgicals and Electricals.

STOCKHOLM—Market trend. "Heavyweights" tumbled with "speculators" also easier. Oils were mixed and industrials were slightly lower.

Peko Walsend lost 40 cents to \$7.50. Metal Exploration shed 30 cents to \$3.50 offered. WMC came back 23 cents to \$2.70 offered and MDM dipped 11 cents to \$2.77.

CNA came back 30 cents to \$6.10. Broken Hill lost 20 cents to \$5.90, and Boulderville dropped 12 cents to \$2.50.

Consolidated Gold Fields declined 14 cents to \$5.30 bid and United Alkali 5 cents to \$2.40.

In "speculators," Patrick Corporation fell 10 cents to 70 cents and Spargos lost 5 cents to 55 cents.

Unions were lower, with Queensland Mines easing 5 cents to \$4.30 and Kathleen Investments shed 15 cents to \$3.05. Pancontinental closed 7 cents lower at 55 cents.

Powell was 20 cents down at \$17.80. Southland added 2 cents at 64 cents.

In "speculators," Woodside declined 8 cents to 90 cents. Bridge gained 2 cents to 35 cents on news of the Fly No. 1 gas show, while Vamgas were unchanged at 27 cents.

In limited trading—100m. shares—in view of international currency uncertainties.

A few constructions were higher in anticipation of increased Government expenditures for Public Works. Maeda Construction gained Yen 14 to 940 and Okumura-Gumi added Yen 10 to 900.

Some other Pharmaceuticals were also higher in sympathy, with Tanabe Pharmaceutical up Yen 8 at 173 and Fujisawa Pharmaceutical up Yen 7 at 330 offered.

A few "low-priced" issues were in demand. Iseki Motor rose Yen 8 to 124 and Konishiroku put on Yen 4 to 137 offered.

JOHANNESBURG—Prices tended lower on lack of institutional support. Platina remained lower on balance, with Unipat and Waterval each shedding around 30 cents, still influenced by the Rustenburg output outlook.

Londons tended easier on lack of London and local interest. Diamonds also moved lower and Financials dipped in sympathy with the general trend. Coppers weaker.

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RAILROADS

INDUSTRIALS, ETC.

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Bank Rate 5% (Sept. 2, 1971) transfers to the Exchequer, and foreign exchange settlements were among factors in the market's favour, but a net Treasury bill take-up, gilt-edged settlements, and a shortage carried over by banks from Friday were against it.

A rate of 4 1/2 per cent was against it in the earlier part, but 4 1/2 per cent was bid for day-to-day loans from the houses. Government disbursements appeared to be broadly in balance with revenue.

OSLO—Industrials tended easier. Shipments were steady while Banks were quiet.

COPENHAGEN—Mixed in quiet dealings.

VIENNA—Modest rally. STOCKHOLM—Market trend. "Heavyweights" tumbled with "speculators" also easier. Oils were mixed and industrials were slightly lower.

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# SHOCK EXCHANGE REPORT

## Gilt-edged go further ahead in another huge turnover

### But equities lack support and share index falls 7.4 to 420.1

## ACCOUNT DEALING DATES

First Declared Last Account  
Settlements Day  
Sept. 8 Sept. 15 Sept. 22  
Sept. 29 Sept. 1 Oct. 6  
Oct. 13 Oct. 20 Oct. 27

\*Week time "dealings may take place  
on 5 p.m. three business days earlier.

The feature of London stock  
markets was again provided by  
gilt-edged yesterday. Following  
last week's rises of nearly 3%  
on long-dated maturities, went  
plunging upwards to score gains  
of up to 2 1/2%. The Government  
Securities Index rose to its  
highest since over three weeks,  
advancing 0.52 to 79.80, and now  
stands at its highest level since  
Jan. 21, 1970.

In contrast, the equity market,  
and in particular the 100 index,  
suffered a distinctly soft day in  
the absence of buyers. The week-end  
rises were not particularly helpful  
and there was some gloomy talk  
about the low level of Unit Trust  
sales.

Selling of the leaders was not  
but it was persistent and  
places a little more "weighty"  
on an speculation in situation  
locks was subdued. This was  
evident to some extent in the  
100 of falls-to-rises in all FT  
noted Industrials of 2-1: rises  
are in a narrow majority last  
day.

The Financial Times Industrial  
Share Index lost 7.4 to 420.1,  
with the 100 index falling 1.1  
to 100.0, with the Industrial Group  
174.12, the 500-Share at 157.72  
and the All-Share at 155.25.

## ig demand for Gilts

Long-dated British Funds went  
strongly ahead by up to 1 1/2  
per cent yesterday on another huge  
demand based on hopes that the  
Government will raise the rate  
of interest. The 100 index was  
encouraged by the Government  
rises of the long "tap" stock, Treasury  
per cent, which was moved up  
two stages yesterday to 79.80,  
overall rise of 1/2 at 97 1/2,  
the price was operative con-  
sistently and there was another  
outtake. The "tap" stock

price has moved up by no less  
than a full point in the last five  
business days and over the same  
period stocks in the vicinity show  
gains of up to 2 1/2%. The week-end  
also showed further good gains.  
For Mercantile Credit, 9p down at  
153p. Medios were generally 1/2 better,  
but short-dated issues were com-  
pletely overshadowed by the  
rises and held in check by selling  
to go longer; closing prices  
here showed only small mixed  
movements.

Corporation and Common-  
wealth issues were very firm in  
the wake of the main funds, the  
former showing rises extending  
to around 1 1/2 with LCC 3 per cent  
moving up to 244. In the  
market, Southern Rhodesian  
stocks were sometimes a point  
better.

A. P. Cement debentures were  
wanted again and the 5 1/2 per  
cent issue improved 1 to 244.  
Recent Fixed Interest issues  
made a firm showing, with A.  
Guinness 10 per cent loan (225  
paid) rising 1/2 to 224.

Little interest was shown for  
new issues, but the premium  
premium edged up 1/2 point to 22 1/2  
per cent. Sino-Russian Bonds  
cheapened with Chinese 4 1/2  
per cent 1988 1/2 down at 23  
and Chinese 5 per cent 1986 1/2  
lower at 21.

## Insurance firm

Insurance - presented a firm  
appearance in quiet trading. Life  
issues were helped by favourable  
Press comment and Legal and  
General were notable for a rise  
of 1/2 to 372p. Among Composites,  
Guardian Royal-Exchange, after  
last week's advance on the good  
interest report, put on 4p more  
to 252p. Eagle Star closed 6p  
higher at a 1971 peak of 422p,  
while Victoria Insurance moved  
ahead 20p to 430p. In quietly  
firm Lloyd's brokers, Leslie and  
Godwin closed with gains of 10p  
to 427p; the interim figures  
are due to-morrow.

Having opened up to 10p higher,  
Home Banks drifted down in idle  
trading and a few pence easier  
on the day. Barclays were finally  
4p off at 560p, after 574p. Mer-  
chant Banks were inclined to ease

after recent firmness, with  
Keyser Ullmann giving up 15p to  
480p. Leopold Joseph, however,  
improved 10p to 270p. Easier  
Orders continued to lost ground,  
but for Mercantile Credit, 9p down at  
153p.

Newspaper comment suggest-  
ing Halliwell as the choice  
target for the attention of pro-  
spective bidders in the Brewery  
sector aroused speculative in-  
terest which raised the price 1p  
to 198p. Elsewhere, Watney Mann  
were heavily traded but on size-  
able profit-taking came back 7p to  
156p. Against the trend, A. E.  
Malsters picked up 4p at 96p.

In a mixed Buildings sector,  
R. Costain fell 5p to 218p while  
similar falls were seen in United  
Buildings, 12p, and Geo. Wimpey,  
10p. The latter, however, was  
1/2 better at 145p. Builders  
1/2 Mowlem, 4p cheaper at 118p,  
and Higgs and Hill, 5p easier at  
96p. In contrast, J. Laing "A",  
150p, and Wetherby Bros., 70p, put  
on 10p and 7p respectively for  
their interim results. Also  
firm were Streeters of Godalming  
at 89p, up 3p, following Press  
comment.

ICL, in increased trading, eased  
5p more to 318p, after 317p.  
Following the respective 10p  
rises, Fisons dipped 10p to 315p  
and Broadley 4p to 53p. Croda  
International, however, put on 3p  
to 357p on the increased interim  
figure, and the scrip issue  
proposal.

## Redfern Glass up

In response to favourable Press  
comment, Redfern National Glass  
jumped 30p to 165p in an early  
market. Campart rose 6p to 150p  
on the good results, while satis-  
faction with the interim profits  
and increased dividend lifted  
S. Lebov (Fels) 5p to 80p.

## Leading Stores dull

Leading Stores moved lower  
under the lead of Marks and  
Spencer, which closed 10p lower  
at 315p. "Gussies" "A", 430p,  
and House of Fraser, 209p, both  
lost 5p, while United Department  
Stores, 2p, and J. & J. Barrie,  
issues remained dull. The Ordinary  
losing 5p more at 235p and the  
"A" a further 6p at 220p. Hardy  
and Co. (Furnishers) were  
prominent, falling 16p, down  
25p, while J. Michael, reflecting  
the disappointing profits, fell 2p  
to 20p before rallying to close 5p  
cheaper on balance at 22p. On  
the other hand, Forbys jumped

15p further to 350p, still on the  
results and proposed scrip issue,  
while Martin the Newsagent put  
on 7p to 815p in sympathy. Mail  
Orders continued to lost ground,  
but for Gratton Warehouses 5p  
lower at 255p. MFI Warehouse  
met with selling ahead of today's  
results and slipped 13p to 151p.

Plessey, 126p, and GEC, 151p,  
both closed with falls of about  
4p, while EMI gave up 5p more  
at 183p. Westinghouse Brake came  
back 7p to 232p, but Acralite  
were heavily traded but on size-  
able profit-taking came back 7p to  
156p. Against the trend, A. E.  
Newmark added 10p at 173p.

Engineering had their worst  
day for some considerable time;  
leading issues were up to 12p  
lower, as in Metal Box at 324p,  
while Simon dropped 23p to 140p.  
Following the warning of reduced  
profits, the latter suffered 10p  
from trading news included  
Sheffield Twist, 9p down at 67p.  
Central Wagon, 5p off at 22p.  
After 19p, and Anglo-Swiss, 10p  
cheaper at 40p. Ransomes Sims  
fell 6p to 120p and Hall  
Thermotank 4p to 54p. Selling  
left Morgan Crucible down 13p at  
120p, and Falvey 10p lower at  
230p.

## Redfern Glass up

In response to favourable Press  
comment, Redfern National Glass  
jumped 30p to 165p in an early  
market. Campart rose 6p to 150p  
on the good results, while satis-  
faction with the interim profits  
and increased dividend lifted  
S. Lebov (Fels) 5p to 80p.

## Leading Stores dull

Leading Stores moved lower  
under the lead of Marks and  
Spencer, which closed 10p lower  
at 315p. "Gussies" "A", 430p,  
and House of Fraser, 209p, both  
lost 5p, while United Department  
Stores, 2p, and J. & J. Barrie,  
issues remained dull. The Ordinary  
losing 5p more at 235p and the  
"A" a further 6p at 220p. Hardy  
and Co. (Furnishers) were  
prominent, falling 16p, down  
25p, while J. Michael, reflecting  
the disappointing profits, fell 2p  
to 20p before rallying to close 5p  
cheaper on balance at 22p. On  
the other hand, Forbys jumped

Following Friday's jump of 25p,  
on speculative buying, Reckitt and  
Colman came back 3p to 231p.  
Crossfields and Cathrops, also a  
firm market of late, dipped 7p to  
57p, while falls of 4p were seen  
in Tate and Lyle, also Associated  
Biscuits, 34p, and Bowers, 157p.  
Also dull were Cadbury Schweppes,  
3p lower at 83p. In contrast,  
Rowntree Macintosh improved  
10p to 370p ahead of today's in-  
terim results, while Kaloche were  
similarly better at 475p.

Trust Houses Forte were a pro-  
minent dull feature at 121p, down  
12p, following the chairman's  
profits warning.

Motors were often easier  
apart from the Garages section  
which had several firm features.  
Dennis Motor, at 115p, gave up  
5p of last week's sharp rise, Jes-  
pita favourable Press comment,  
while leading Components showed  
a fall of up to 3p. British  
Excelsior were partly influenced  
by the Kangol interim figures and  
rose 4p to 47p, after 50p.

The chief movements in Pro-  
perties were usually upward.  
Imry gained 3p at 243p following  
the chairman's confident state-  
ment, while the other two rose 1p  
to 23p, still on the above fore-  
cast profits. Property Security  
continued to benefit from an invest-  
ment recommendation, advancing  
13p to 355p.

## Redfern Glass up

## Redfern Glass up

Week-end Press comment  
attracted buyers to Peter Dixon,  
up 22p to 153p, and  
Ault and Wiborg, 2p higher at  
42p. Leading Papers were rarely  
altered.

## BP react late

British Petroleum held steady  
initially despite the report that  
OPEC member countries could  
well ask for greater participation  
in the oil concessions at next  
month's meeting, but eased later  
on small US selling to close 5p  
down at 612p. Burmah were the  
same amount lower at 438p, while  
Shell, on the chemical division  
results, came back 5p more  
to 558p. A similar loss was  
marked against Ultramar, at 302p,  
but Press comment helped Tri-  
nidad Canadian rise 4p to 171p, after  
176p.

An easier tendency was  
apparent in Trusts, but BET  
Deferred, a good market of late,  
another 3p to 122p. Lethian  
Investment Trust, at 115p, which  
moved up 13p to 55p last Friday  
evening following news that  
Standard Guarantee have acquired  
control and are making a cash  
bid of 40p per share for the re-  
maining capital, rose further to  
64p on speculative demand,  
before finishing 3p higher on the  
day at 58p.

## Armour Trust bought

Favourable Press comment  
prompted buying of Armour  
Trust, which closed 4p higher at  
88p, after 77p. Anglo-Continental  
were also firm in Financials, adding  
2p at 43p. S. Pearson and  
Son, however, declined 5p to 245p.

## Armour Trust bought

Shippings were mainly quiet  
with scattered losses.

## FINANCIAL TIMES STOCK INDICES

(a) Based on 40% over tax from March 30, 1971.										Latest Index 01-245 2025																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
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Party managers are both anxious to hold a Common Market debate at their conferences as early as

ing in Brighton on Friday, but it will certainly be early next week. The conference is from

On the conference agenda, there are 78 resolutions in favour of

## Eagle Star new 10-year

launching a new 10-year savings plan offering a guaranteed return for regular savings from

The scheme gives life cover at the end of 10 years equal to

**REGIONAL MARKETS**  
Prices in pence and denominations of 25p unless otherwise stated

<b>BELFAST</b>	Graig Ship £1.	265	Heaton Wmuy	3
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B'fast C3 1/2 1976	296	-----	Hal'm Sl'gh 10p	16 1/2	-----	Hignons Brew	156	+ 1
B'fast Rope 21	76	-----	Hill (Chas) 2	13 1/2	-----	Hindson Rd 20p	69	-----
Hughes (B) 21	150	-----	Kleen-e-s	45 1/2	-2	Holt, Joseph 21	500	-----
Unk 1972	1072	-----	Love'll's Ship 21	63	-2	Ingham (G) 10p	105 1/2	-----

### ACTIVE STOCKS

	Denomina- tion	No. of marks	Closing price	Change on day	1971 high	1971 low
Stock						
Court Line .....	25p	19	186	-13	200	119

## Motors & Distributors

Year	Number of New Units Sold
1987	120
1988	130
1989	125
1990	120
1991	125
1992	130



tax and relaxation of hire purchase terms. The below-average performance by Seddon Diesel reflects, in part, the warning in the March interim report of the considerable cost in-

of prices of two constituents converted to index numbers at weekly intervals over about six months, starting from the same base.

Fields allow for value of declared distributions and debts and are based on dividend passed or deferred. c Canadian. x Figures based on prospectus or other official estimates for 1971-72. y Figures based on prospectus or other official

Highs and lows marked thus have been adjusted to allow for rights issues for

passed or deferred.  
 \* Not comparable; net divs. paid.  
 † Figures or report awaited.  
 ‡ Banks and Insurances: reserve allocations.

Dividend rate paid or payable on part of capital cover based on dividend on all capital. s Redemption yield. f Flat yield. s Redemption dividend and yield.

s Previous total. t Rights issue pending. u\*\*\* Pence except where otherwise indicated. v Earnings based on preliminary figures. w Australian currency.

Dividend: cover based on previous year's earnings. v Tax-free up to 6% in the U.S. Yields allow for currency clause. Dividend and yield based on market value. Excluding a final dividend declaration. Provincial quotations. No par value. Abbreviations: ex ex dividend: ex

TABLE 1. *Continued*



## **F.T. SHARE INFORMATION SERVICE**

### HOTELS AND CATERERS—Contd.

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THE PITTSBURGH TIMES Tuesday, September 28, 1971

FINANCIAL, OCEAN, CONTINUED	1971	Stock	Price	Change	Volume	INSURANCE	1971	Stock	Price	Change	Volume	PROPERTY—Continued	1971	Stock	Price	Change	Volume	TEXTILES—WOOL	1971	Stock	Price	Change	Volume	TRUSTS, FINANCE, LAND—Continued	1971	Stock	Price	Change	Volume	TEAS—Continued	1971	Stock	Price	Change	Volume																																	
1000	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1000	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1000	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00																															
1001	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1001	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1001	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00																													
1002	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1002	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1002	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00																											
1003	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1003	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1003	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00																										
1004	100.00	0.00	100	100.00	100	100.00	100.00	100.00	100.00	100.00	100.00	1004	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1004	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00																										
1005	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1005	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1005	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00																									
1006	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1006	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1006	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00																								
1007	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1007	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1007	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00																							
1008	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1008	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1008	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00																						
1009	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1009	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1009	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00																					
1010	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1010	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1010	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00																			
1011	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1011	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1011	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00																	
1012	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1012	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1012	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00															
1013	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1013	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1013	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00														
1014	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1014	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1014	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00													
1015	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1015	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1015	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00												
1016	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1016	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1016	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00												
1017	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1017	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1017	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00										
1018	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1018	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1018	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00									
1019	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1019	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1019	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00								
1020	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1020	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1020	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00



